Milwaukee Public MUSEUM

Date: November 30, 2010

To: Chairman L. Holloway
Supervisor E. Coggs
Supervisor G. Broderick

CC: Jay Williams

Subject: Report From MPM
Audited Fiscal 2010 Financial Update

Summary

Following the close of the Dead Sea Scrolls exhibition on June 6th, MPM's focus shifted to summer education programs and renovations of building systems and exhibit gallery spaces. The renovations include new roof mounted HVAC systems that will primarily provide the air handling for gallery spaces on the east wings of the 2nd and 3rd floors of the building. Along with insulating the exterior walls, these improvements will allow MPM to control air and humidity levels required for permanent and traveling exhibits occupying those spaces. The renovations proceeded on schedule, finishing in time to allow for the move-in of our new exhibit which opens to the public October 1st.

A new three-year contract was successfully negotiated with AFSCME District 48 representatives which will expire June 30, 2013.

Jay Williams took over as President of the Milwaukee Public Museum from Dan Finley effective July 1st. MPM also transitioned to a new Director of Human Resources, Judy Atkinson, following the retirement of our previous HR director in July.

Financial Results (unaudited)

For the fiscal year ending August 31, 2010, the following comments and financial results are audited for this report. MPM's audit report is available upon request.

Attendance for the year included 451,000 visitors to the museum including those who purchased tickets for the Dead Sea Scrolls exhibition, which drew approximately 167,000 attendees. In addition, 154,000 people attended the theater and/or planetarium shows. Base museum attendance was up 10.5% over the prior year while theater attendance was down 26% from prior year. The prior year had high theater attendance due to the Titanic film which accompanied the Titanic exhibition in 2009.

Unaudited Financial statements are attached showing a positive increase in Net Assets for the year of $1.074 million on Revenues of $16.030 million. This brings total Net Assets for the museum to $1.772 million as of August 31st, 2010. While revenues fell short of plan primarily due to softer than expected attendance levels for the theater operations and the Dead Sea Scroll exhibit, operating expenses were managed to 4.9% below plan which partially offset the revenue shortfall. In addition, estate gifts to the museum's Endowment Trust along with earnings on the Endowments's investment portfolio of $229,000 offset losses incurred on museum operations. The Endowment Trust portfolio has grown to $6.13 million, an increase of $2.175 million from a year ago.

Looking Forward

On October 1st, the exhibit "Frogs, A Chorus of Colors" will open and run through January 2, 2011. We will also be opening a new major traveling exhibit December 17th entitled, "Mummies of the World." This exhibit opened July 1st at the California Science Center in Los Angeles as its first venue in the United States. Milwaukee will be the second stop on its three-year tour of museums around the country.

MPM continues work on its capital campaign and those efforts will continue over the next several years. This campaign will result in improvements to museum programs and facilities so we may continue to serve the community in new and exciting ways.

Please contact me if you have any questions or concerns with the enclosed materials.

Sincerely,

Michael A. Bernatz

Michael A. Bernatz
Chief Financial Officer
Milwaukee Public Museum

Milwaukee Public Museum

MPM Consolidated Statement of Activities for the Year Months Ended 8/31/10	YTD Actual	YTD Budget	Dev	Prior Year Actual	Prior Year Change
Revenue:					
Contributions and Membership	3,106,448	3,209,029	(102,581)	3,305,620	(199,172)
Special Event Revenue	357,369	454,275	(96,906)	432,474	(75,105)
Public Support	3,549,276	3,652,376	(103,100)	3,557,276	(8,000)
Admissions	4,583,123	4,994,142	(411,020)	3,537,841	1,045,282
IMAX/Planetarium	920,982	1,164,108	(243,126)	1,179,882	(258,900)
Programs	177,559	234,930	(57,371)	149,007	28,552
Contributed Services	248,154	0	248,154	409,702	(161,548)
Restaurant and Facility Rental	226,655	334,350	(107,695)	341,792	(115,137)
Retail	884,682	1,136,448	(251,766)	678,959	205,723
Other income	142,500	121,915	20,585	48,772	93,728
Reclass of Temp/permanently restricted net assets	5,000	0	5,000	(250,000)	255,000
Net assets released from restrictions	1,828,696	2,174,775	(346,080)	3,270,140	(1,441,444)
Total Unrestricted Revenue	16,030,441	17,476,349	(1,445,907)	16,661,463	(631,021)
Operating Expenses:					
Curatorial	1,195,071	1,075,114	119,957	1,184,101	10,970
Exhibits	3,082,887	3,431,597	(348,710)	1,384,426	1,698,461
Special Events	152,716	180,675	(27,959)	151,524	1,192
Imax/Planearium	820,000	853,291	(33,292)	823,599	(3,600)
Programs	625,271	618,112	7,159	631,204	(5,932)
Contributed Services	248,154	0	248,154	409,702	(161,548)
Restaurant and Facility Rental	85,496	70,182	15,314	158,075	(72,579)
Retail	738,955	779,052	(40,097)	555,551	183,404
Fundraising	1,024,714	1,230,170	(205,456)	1,042,073	(17,359)
Administrative	2,204,924	2,872,902	(667,979)	1,986,130	218,794
Facilities	3,027,836	2,840,960	186,876	2,958,296	69,540
Interest	335,450	330,624	4,826	347,185	(11,735)
Marketing	479,613	546,116	(66,503)	464,338	15,275
Depreciation	1,356,895	1,348,054	8,841	1,392,586	(35,691)
Total Operating Expenses	15,377,981	16,176,850	(798,869)	13,488,789	1,889,192
Inc (dec) in unrestricted net assets before non operating items	652,460	1,299,499	(647,038)	3,172,674	(2,520,214)
Non Operating Items:					
Pension & Post Retirement Benefits Expense	40,936	(637,725)	678,661	(1,544,367)	1,585,303
Investment Earnings	97,259	0	97,259	68,962	28,297
Total Non Operating Items	138,195	(637,725)	775,920	(1,475,406)	1,613,601
Inc (dec) in unrestricted net assets	790,655	661,774	128,882	1,697,268	(906,613)
Changes in Temporarily Restricted Net Assets:					
Contributions	893,491	4,843,000	(3,949,509)	722,928	170,562
Investment Earnings	152,534	0	152,534	96,443	56,091
Net assets released from restrictions for operations	(1,833,696)	(2,174,775)	341,080	(3,270,140)	1,436,444
Inc (dec) in temporarily restricted net assets	(787,671)	2,668,225	(3,455,896)	(2,450,769)	1,663,098
Changes in Permanently Restricted Net Assets:					
Contributions	1,071,000	0	1,071,000	0	1,071,000
Investment Earnings	(339)	0	(339)	0	(339)
Net assets released from restrictions for operations	0	0	0	250,000	(250,000)
Inc (dec) in permanently restricted net assets	1,070,661	0	1,070,661	250,000	820,661
Inc (dec) in Net Assets	1,073,645	3,329,998	(2,256,353)	(503,501)	1,577,146
Total Net Assets at Beginning of Period	698,643	698,643	0	1,202,144	(503,501)
Total Net Assets at End of Period	1,772,288	4,028,641	(2,256,353)	698,643	1,073,645

Milwaukee Public Museum

MPM Consolidated Statement of Financial Position as of 8/31/10			
	Consolidated	Consolidated	
	8/31/10	8/31/09	Change
Assets:			
Cash and cash equivalents	2,896,538	2,833,532	63,006
Investments	268,451	246,744	21,707
Accounts Receivable	60,603	52,537	8,066
Contributions Receivable -Current	739,615	1,230,249	(490,634)
Due From Other Entities	0	0	0
Inventories	28,643	145,803	(117,160)
Prepaid Expenses	187,655	196,935	(9,280)
Total Current Assets	4,181,505	4,705,800	(524,295)
Other Assets:			
Cash and investments held for endowment	6,129,463	3,955,285	2,174,178
Contributions Receivable - Long Term	720,054	1,032,719	(312,665)
Other Long Term Assets	152,110	152,110	0
Total Other Aassets	7,001,627	5,140,114	1,861,513
Property & Equipment:			
Construction in Progress	50,188	0	50,188
Building Additions	19,221,371	19,221,371	(0)
Furniture, equipment and other improvements	10,283,158	10,019,971	263,187
Gross Property & Equipment	29,554,717	29,241,342	313,375
Less-Accumulated depreciation	(12,426,492)	(11,069,597)	(1,356,895)
Net Property & Equipment	17,128,225	18,171,745	(1,043,520)
Total Assets	28,311,357	28,017,659	293,698
Liabilities and Net Assets:			
Accounts Payable	448,015	387,710	60,305
Accrued Payroll & Benefits	657,112	659,176	(2,064)
Deferred Revenue	996,779	1,025,709	(28,930)
Interest Payable	55,291	55,860	(569)
Accrued Postretirement Benefits - Current	111,685	87,123	24,562
Notes Payable - Current	124,074	121,713	2,361
Capital Leases - Current	13,406	22,436	(9,030)
Total Current Liabilities	2,406,363	2,359,727	46,636
Capital Leases	0	13,406	(13,406)
Accrued Postretirement Benefits	7,914,911	8,608,535	(693,624)
Due to Other Entities	0	0	0
Notes Payable	16,217,794	16,337,348	(119,554)
Total Liabilities	26,539,068	27,319,016	(779,948)
Net Assets:			
Unrestricted	(4,571,357)	(5,361,673)	790,655
Temporarily Restricted	2,639,352	3,427,023	(787,671)
Permanently Restricted	3,704,293	2,633,293	1,070,661
Total Net Assets	1,772,288	698,643	1,073,645
Total Liabilities and Net Assets	28,311,357	28,017,659	293,698

Milwaukee Public MUSEUM

Date: February 28, 2011

To: Chairman L. Holloway
Supervisor E. Coggs
Supervisor G. Broderick

CC: Jay Williams

Subject: Report From MPM
1st Quarter Unaudited Fiscal 2011 Financial Update

Summary

The fall of 2010 was highlighted with a number of activities including the opening of the exhibit, "Frogs, A Chorus of Colors" on exhibit October 1st. A very successful annual gala event was also held in October, and preparations were made for the opening of the "Mummies of the World" exhibit which opened in December.

During this period, the education staff developed and delivered 415 educational programs and events to nearly 12,000 participants. MPM continued to forge collaborative agreements with other local academic institutions to enhance the scientific resources available to the museum. In addition, the collections were used by 19 visiting scientists doing their independent research.

New members were added to the museum's Board of Directors increasing both business and educational experience.

Financial Results (unaudited)

For the 1st quarter ending November 30, 2010, the following comments and financial results are included for this report.

First quarter museum attendance was up 47.3% over the same period in the prior fiscal year. The attraction of the Frogs exhibit contributed significantly to the increase. That being said, our expectations were that Frogs would be an even bigger draw than it has been and MPM planned for greater amounts in its revenue budget for the year. The theater attendance is virtually flat with the prior year but includes a stronger mix of IMAX shows versus Planetarium shows.

Unaudited Financial statements are attached showing a loss in Net Assets for the quarter of $0.152 million on Revenues of $2.722 million. This brings total Net Assets for the museum to $1.62 million as of November 30th, 2010. While revenues fell short of plan primarily due to softer than expected attendance levels for the Frogs exhibit, operating expenses were managed to 8.2% below plan which partially mostlyoffset the revenue shortfall. In addition, investment income earned from the Endowment and MPM holdings have generated $577k in positive earnings. Consequently, the museum's bottom line is ahead of plan by $457k. The Endowment Trust portfolio has grown to $7.0 million as of the end of November.

Looking Forward

The exhibition, "Mummies of the World" opened to the public on December 17th and will run through May 30th. This unique exhibit is the largest collection of mummies in the world and provides evidence of mummification from all parts of the world, not just Egypt. The exhibit educates the visitor on the science of mummification and how mummies can be studied to provide insight into ancient cultures.

Please contact me if you have any questions or concerns with the enclosed materials.

Sincerely,

Michael A. Bernatz

Michael A. Bernatz
Chief Financial Officer
Milwaukee Public Museum

Milwaukee Public Museum

MPM Consolidated Statement of Activities for the Three Months Ended 11/30/10	YTD Actual	YTD Budget	Dev	Prior Year Actual	Prior Year Change
Revenue:					
Contributions and Membership	706,686	702,335	4,352	661,733	44,954
Special Event Revenue	276,023	263,000	13,023	228,684	47,339
Public Support	875,594	875,594	0	875,594	0
Admissions	436,736	721,005	(284,269)	175,620	261,117
IMAX/Planetarium	131,144	196,178	(65,034)	125,503	5,640
Programs	29,734	32,050	(2,317)	19,366	10,368
Restaurant and Facility Rental	47,568	55,870	(8,302)	63,155	(15,587)
Retail	117,453	133,669	(16,216)	63,403	54,050
Other income	15,123	12,530	2,593	87,180	(72,057)
Net assets released from restrictions	86,301	127,757	(41,456)	610,555	(524,255)
Total Unrestricted Revenue	2,722,362	3,119,987	(397,625)	2,910,793	(188,432)
Operating Expenses:					
Curatorial	299,622	307,633	(8,011)	276,162	23,460
Exhibits	328,652	371,611	(42,959)	411,078	(82,426)
Special Events	103,575	120,465	(16,890)	93,852	9,723
Imax/Planearium	156,488	209,368	(52,880)	251,048	(94,560)
Programs	167,988	174,205	(6,217)	141,478	26,510
Restaurant and Facility Rental	11,409	9,965	1,444	5,386	6,024
Retail	113,027	126,697	(13,669)	79,754	33,273
Fundraising	227,399	292,165	(64,767)	226,771	628
Administrative	638,248	641,878	(3,630)	626,533	11,715
Facilities	687,917	705,606	(17,690)	694,476	(6,559)
Interest	83,818	81,877	1,941	84,373	(554)
Marketing	127,885	201,642	(73,757)	114,139	13,746
Depreciation	346,511	342,873	3,638	335,499	11,013
Total Operating Expenses	3,292,539	3,585,987	(293,448)	3,340,548	(48,009)
Inc (dec) in unrestricted net assets before non operating items	(570,177)	(466,000)	(104,177)	(429,754)	(140,423)
Non Operating Items:					
Pension & Post Retirement Benefits Expense	(185,667)	(186,000)	333	(129,000)	(56,667)
Investment Earnings	210,439	0	210,439	92,968	117,471
Total Non Operating Items	24,772	(186,000)	210,772	(36,032)	60,804
Inc (dec) in unrestricted net assets	(545,405)	(652,000)	106,595	(465,786)	(79,619)
Changes in Temporarily Restricted Net Assets:					
Contributions	81,475	170,000	(88,525)	451,996	(370,521)
Investment Earnings	358,251	1,000	357,251	134,400	223,851
Net assets released from restrictions for operations	(86,301)	(127,757)	41,456	(610,555)	524,255
Inc (dec) in temporarily restricted net assets	353,425	43,243	310,182	(24,160)	377,585
Changes in Permanently Restricted Net Assets:					
Contributions	31,511	0	31,511	495,000	(463,489)
Investment Earnings	8,310	0	8,310	0	8,310
Net assets released from restrictions for operations	0	0	0	0	0
Inc (dec) in permanently restricted net assets	39,821	0	39,821	495,000	(455,179)
Inc (dec) in Net Assets	(152,159)	(608,757)	456,598	5,054	(157,213)
Total Net Assets at Beginning of Period	1,772,288	1,772,288	0	698,643	1,073,645
Total Net Assets at End of Period	1,620,129	1,163,531	456,598	703,697	916,432

Milwaukee Public Museum

	Consolidated 11/30/10	Consolidated 8/31/10	Change	Consolidated 11/30/09	Prior Year Change
Assets:					
Cash and cash equivalents	2,398,315	2,896,538	(498,223)	3,034,416	(636,101)
Investments	294,541	268,451	26,090	262,237	32,304
Accounts Receivable	89,733	60,603	29,130	29,684	60,049
Contributions Receivable -Current	757,293	739,615	17,678	1,101,119	(343,826)
Inventories	50,040	28,643	21,397	57,284	(7,244)
Prepaid Expenses	120,405	187,655	(67,250)	217,005	(96,599)
Total Current Assets	3,710,327	4,181,505	(471,178)	4,701,744	(991,418)
Other Assets:					
Cash and investments held for endowment	6,711,916	6,129,463	582,453	4,212,336	2,499,580
Contributions Receivable - Long Term	720,054	720,054	0	1,032,719	(312,665)
Other Long Term Assets	152,110	152,110	0	152,110	0
Total Other Aassets	7,584,080	7,001,627	582,453	5,397,165	2,186,915
Gross Property & Equipment	29,611,463	29,554,717	56,746	29,296,646	314,817
Less-Accumulated depreciation	(12,730,507)	(12,426,492)	(304,015)	(11,405,095)	(1,325,411)
Net Property & Equipment	16,880,957	17,128,225	(247,268)	17,891,551	(1,010,594)
Total Assets	28,175,363	28,311,357	(135,994)	27,990,460	184,903
Liabilities and Net Assets:					
Accounts Payable	475,762	448,017	27,745	396,799	78,963
Accrued Payroll & Benefits	563,113	657,112	(93,999)	590,398	(27,285)
Deferred Revenue	1,005,043	996,779	8,264	980,684	24,359
Interest Payable	55,550	55,291	259	55,940	(390)
Accrued Postretirement Benefits - Current	111,685	111,685	0	87,123	24,562
Notes Payable - Current	124,074	124,074	0	121,713	2,361
Capital Leases - Current	7,661	13,406	(5,745)	22,436	(14,775)
Total Current Liabilities	2,342,887	2,406,364	(63,477)	2,255,093	87,794
Capital Leases	0	0	0	7,797	(7,797)
Accrued Postretirement Benefits	8,023,737	7,914,911	108,826	8,715,114	(691,376)
Notes Payable	16,188,609	16,217,794	(29,185)	16,308,760	(120,150)
Total Liabilities	26,555,234	26,539,069	16,165	27,286,763	(731,529)
Net Assets:					
Unrestricted	(5,116,762)	(4,571,357)	(545,405)	(5,827,459)	710,697
Temporarily Restricted	2,992,777	2,639,352	353,425	3,402,863	(410,086)
Permanently Restricted	3,744,114	3,704,293	39,821	3,128,293	615,821
Total Net Assets	1,620,129	1,772,288	(152,159)	703,697	916,432
Total Liabilities and Net Assets	28,175,363	28,311,357	(135,994)	27,990,460	184,903

Date: March 31, 2011

To: Chairman L. Holloway
Supervisor E. Coggs
Supervisor G. Broderick

CC: Jay Williams

Subject: Report from the Milwaukee Public Museum 1st Half Unaudited Fiscal 2011 Financial Update

Summary

MPM has introduced new branding for the museum including a new look (see new logo above). While the look may be new, the continuing purpose of the museum is to educate, explore, discover and preserve the world and its people. MPM's mission, across time and cultures, is to be a world class museum that focuses on the intersections between people and the environment.

Fiscal 2011 has been highlighted by the hosting of two major exhibits, *"Frogs, A Chorus of Colors"* and *"Mummies of the World."* Frogs opened to the public on October 1st and closed at the end of January. Mummies opened December 17th and will continue through the end of May, 2011. Overall, for the six month period, museum attendance is up 27.1% over the same period in the prior fiscal year. The public's interest in the Frogs and Mummies exhibits contributed significantly to the increase.

Despite the slow economy, annual campaign fundraising is slightly ahead of plan and ahead of prior year for the same period. MPM's two major fundraising events, the MPM Gala in the fall and Food & Froth in February, were both successful and exceeded the planned goals.

The MPM board has added a number of outstanding leaders from the community. A list of names of the current board members is attached.

MPM has also made significant improvements to its financial structure through debt refinancing.

Financial Results (unaudited)

Results for the first half of fiscal 2011 are attached which include the period September 1, 2010 through February 28, 2011. MPM completed a refinancing of its debt and the impact is included in the accompanying financial statements.

Financial statements are attached showing a gain in Net Assets for the first half of $12.7 million on Revenues of $6.9 million. While revenues fell short of plan primarily due to softer than planned attendance levels, operating expenses have been managed to 5.4% below plan, which partially offsets the revenue shortfall. In addition, investment income earned from the Endowment and MPM holdings have generated $1.2 million in positive earnings. Total Net Assets now stand at $14.5 million as of the end of February, including the Endowment Trust holdings which have grown to over $7.6 million.

The museum's balance sheet now stands at $30.2 million in Total Assets. Through the debt refinancing, the ratio of Debt to Net Assets has improved substantially from nearly 15:1 a year ago down to 0.34:1 as of the end of February 2011.

Looking Forward

The exhibition, "Mummies of the World" will conclude at the end of May. We continue to work on our infrastructure and permanent exhibits to improve the museum-going experience for our visitors. County supported projects for renovation of our electrical and HVAC systems are ongoing. In addition, we have submitted a proposal through MMSD to add a green roof area on the west wing of the building. If accepted, this will not only improve the roof structure but will add to the museum's education content on ecology and sustainability. Other infrastructure improvements are being addressed through private funding sources.

Please contact me if you have any questions or concerns with the enclosed materials.

Sincerely,

Michael A. Bernatz

Michael A. Bernatz
Chief Financial Officer
Milwaukee Public Museum

Milwaukee Public Museum Board of Directors

Officers

Richard A. Meeusen, Chairman – President/CEO, Badger Meter

Essie Whitelaw, Vice Chair – former Sr. V.P., Wisconsin Physician's Service

Charles I. Henderson, Secretary/Treasurer - Attorney, Davis & Kuelthau

Thomas L. Frenn – Asst. Secretary/Asst. Treasurer - Attorney, Petrie & Stocking

Jay Williams, President (ex-officio) - President/CEO, Milwaukee Public Museum

Directors

Scott Beightol - Chairman, Michael, Best & Friedrich

Colin Boyd – V. P. Information Technology & Chief Information Officer, Johnson Controls

Timothy P. Byrne, CFA –Dir., Research Prod. & Serv., Private Wealth Mgmt, & CIO, Robert W. Baird

Michael G. Carter, J.D., CPA – Vice President/CFO, Northwestern Mutual

Sharon Cook – Municipal and Public Fund Services, M&I Institutional Trust Services

Lydia Chartre – Chair, Friends of the Museum Advisory Committee

Michelle Crockett - Vice President, Community Affairs, Genesis Behavioral Services, Inc.

P.J. DiStefano - Partner–AERS, Deloitte & Touche LLP

Bridie A. Fanning – Principal, AlignOrg Solutions

Susan Fronk - President/CEO, MRA/The Management Association, Inc.

Avery Goodrich – Attorney, Hall, Burce & Olson, S.C.

Henry Hamilton III – Administrative Judge, U.S. Equal Employment Opportunity Commission

Jon W. Hopkins – CEO/Owner, Archiblox LLC

Michael T. Jones – Vice President-Corporate Affairs, MillerCoors

Jay C. Mack – President/CEO, Town Bank

Susan H. Martin – V.P., Corp. Secretary & Assoc. Corp. Counsel, Wisconsin Energy Corporation

Demond A. Means, Ph.D. – Superintendent, Mequon-Thiensville School District

Gerard A. Randall, Jr. - Executive Director, Milwaukee Partnership Academy

Mark J. Sabljak – Publisher, The Business Journal

James "Luigi" Schmitt - Milwaukee County Supervisor, 19th District

Yash P. Wadhwa, P.E., D.E.E. - Director of Operations, Strand Associates, Inc.

Sara J. Walker, CFA – Senior Vice President, Associated Wealth Management

John Yingling – CFO, YWCA of Greater Milwaukee

Milwaukee Public Museum

MPM Consolidated Statement of Activities for the Six Months Ended 2/28/11					
	YTD	YTD		Prior Year	Prior Year
	Actual	Budget	Dev	Actual	Change
Revenue:					
Contributions and Membership	1,880,308	1,835,510	44,798	1,741,672	138,637
Special Event Revenue	399,920	390,100	9,820	357,378	42,542
Public Support	1,751,188	1,751,188	0	1,751,188	0
Admissions	1,105,531	1,829,448	(723,917)	1,352,372	(246,840)
IMAX/Planetarium	353,643	486,802	(133,159)	355,945	(2,302)
Programs	90,150	95,400	(5,250)	72,746	17,404
Contributed Services	178,600	0	178,600	0	178,600
Restaurant and Facility Rental	156,154	133,270	22,884	135,417	20,737
Retail	326,932	472,583	(145,650)	297,848	29,084
Other income	43,880	18,485	25,395	96,309	(52,430)
Net assets released from restrictions	647,380	677,072	(29,693)	1,158,603	(511,223)
Total Unrestricted Revenue	6,933,686	7,689,858	(756,172)	7,319,478	(385,792)
Operating Expenses:					
Curatorial	554,552	571,925	(17,373)	516,263	38,290
Exhibits	541,696	601,619	(59,923)	1,494,415	(952,719)
Special Events	157,993	145,290	12,703	119,008	38,984
Imax/Planearium	289,058	422,418	(133,361)	404,659	(115,602)
Programs	278,860	304,170	(25,309)	274,309	4,552
Contributed Services	178,600	0	178,600	0	178,600
Restaurant and Facility Rental	24,643	17,327	7,316	17,352	7,291
Retail	275,142	395,087	(119,945)	246,463	28,678
Fundraising	459,293	591,643	(132,350)	449,509	9,784
Administrative	1,440,763	1,479,938	(39,175)	1,417,266	23,496
Facilities	1,449,684	1,405,254	44,431	1,372,136	77,549
Interest	136,653	165,454	(28,801)	173,251	(36,598)
Marketing	288,448	359,815	(71,367)	218,612	69,836
Depreciation	690,122	686,276	3,847	673,813	16,309
Total Operating Expenses	6,765,507	7,146,216	(380,709)	7,377,056	(611,549)
Inc (dec) in unrestricted net assets before non operating items	168,180	543,642	(375,463)	(57,578)	225,758
Non Operating Items:					
Pension & Post Retirement Benefits Expense	(363,778)	(372,000)	8,222	(311,804)	(51,975)
Investment Earnings	424,983	0	424,983	116,488	308,495
Gain on Refinancing	10,853,676	0	10,853,676	0	10,853,676
Total Non Operating Items	10,914,880	(372,000)	11,286,880	(195,316)	11,110,196
Inc (dec) in unrestricted net assets	11,083,060	171,642	10,911,418	(252,894)	11,335,954
Changes in Temporarily Restricted Net Assets:					
Contributions	1,465,693	2,833,000	(1,367,307)	663,359	802,334
Investment Earnings	736,238	4,000	732,238	174,481	561,757
Net assets released from restrictions for operations	(647,380)	(677,072)	29,693	(1,158,603)	511,223
Inc (dec) in temporarily restricted net assets	1,554,551	2,159,928	(605,376)	(320,762)	1,875,313
Changes in Permanently Restricted Net Assets:					
Contributions	35,011	0	35,011	995,000	(959,989)
Investment Earnings	17,036	0	17,036	0	17,036
Net assets released from restrictions for operations	0	0	0	0	0
Inc (dec) in permanently restricted net assets	52,047	0	52,047	995,000	(942,953)
Inc (dec) in Net Assets	12,689,658	2,331,570	10,358,089	421,344	12,268,314
Total Net Assets at Beginning of Period	1,772,288	1,772,288	0	698,643	1,073,645
Total Net Assets at End of Period	14,461,946	4,103,858	10,358,089	1,119,987	13,341,959

MPM Consolidated Statement of Financial Position as of 2/28/11					
	Consolidated	Consolidated		Consolidated	Prior Year
	2/28/11	8/31/10	Change	2/28/10	Change
Assets:					
Cash and cash equivalents	3,310,767	2,896,538	414,229	3,600,893	(290,126)
Investments	318,322	268,451	49,871	267,279	51,043
Accounts Receivable	72,028	60,603	11,425	28,313	43,715
Contributions Receivable -Current	504,511	739,615	(235,104)	743,101	(238,590)
Inventories	37,634	28,643	8,991	171,186	(133,552)
Prepaid Expenses	256,532	187,655	68,877	231,202	25,330
Total Current Assets	4,499,793	4,181,505	318,288	5,041,973	(542,180)
Other Assets:					
Cash and investments held for endowment	7,318,136	6,129,463	1,188,673	5,548,141	1,769,995
Contributions Receivable - Long Term	1,647,554	720,054	927,500	1,032,719	614,835
Other Long Term Assets	152,110	152,110	0	152,110	0
Total Other Aassets	9,117,800	7,001,627	2,116,173	6,732,970	2,384,830
Property & Equipment:					
Gross Property & Equipment	29,667,566	29,554,717	112,849	29,348,263	319,303
Less-Accumulated depreciation	(13,074,117)	(12,426,492)	(647,625)	(11,743,410)	(1,330,708)
Net Property & Equipment	16,593,449	17,128,225	(534,776)	17,604,853	(1,011,404)
Total Assets	30,211,042	28,311,357	1,899,685	29,379,796	831,246
Liabilities and Net Assets:					
Accounts Payable	649,953	448,017	201,936	858,431	(208,478)
Accrued Payroll & Benefits	687,360	657,112	30,248	716,039	(28,678)
Deferred Revenue	1,150,465	996,779	153,686	1,254,177	(103,712)
Interest Payable	17,500	55,291	(37,791)	57,010	(39,510)
Accrued Postretirement Benefits - Current	111,685	111,685	0	87,123	24,562
Notes Payable - Current	262,000	124,074	137,926	121,713	140,287
Capital Leases - Current	0	13,406	(13,406)	22,436	(22,436)
Total Current Liabilities	2,878,964	2,406,364	472,600	3,116,929	(237,966)
Capital Leases	0	0	0	2,188	(2,188)
Accrued Postretirement Benefits	8,132,132	7,914,911	217,221	8,858,692	(726,560)
Notes Payable	4,738,000	16,217,794	(11,479,794)	16,281,999	(11,543,999)
Total Liabilities	15,749,095	26,539,069	(10,789,974)	28,259,809	(12,510,713)
Net Assets:					
Unrestricted	6,511,703	(4,571,357)	11,083,060	(5,614,567)	12,126,270
Temporarily Restricted	4,193,903	2,639,352	1,554,551	3,106,261	1,087,642
Permanently Restricted	3,756,340	3,704,293	52,047	3,628,293	128,047
Total Net Assets	14,461,946	1,772,288	12,689,658	1,119,987	13,341,959
Total Liabilities and Net Assets	30,211,042	28,311,357	1,899,685	29,379,796	831,246

By Supervisors Holloway and Schmitt

A RESOLUTION

Authorizing the County Executive and County Clerk to execute loan covenants between The Private Bank and Trust Company ("Private Bank") and Milwaukee County in order for the Milwaukee Public Museum to secure a loan with Private Bank

WHEREAS, in June of 2005, the Milwaukee County Board of Supervisors approved a loan guarantee for the Milwaukee Public Museum, Inc. (MPM) for a new working capital bridge loan provided by M&I Bank and JP Morgan Chase Bank (Chase) to keep the Museum operational; and

WHEREAS, in 2007, the Chairman of the County Board and the County Executive jointly appointed a 12-member Museum Recovery Committee that was charged with "improving the Museum's financial condition and paving the road to fiscal stability and full recovery"; and

WHEREAS, the Museum Recovery Committee subsequently presented the Museum Recovery Plan to the County Board for adoption that required the cooperation of numerous stakeholders including M&I and Chase Banks to ensure the long-term fiscal stability of MPM; and

WHEREAS, specifically, M&I Bank and Chase Banks agreed, as part of the Recovery Plan, to restructure MPM's remaining long-term debt for a ten-year period at reduced rates; and

WHEREAS, MPM is currently seeking to refinance its outstanding loans with Private Bank; and

WHEREAS, in order to secure this refinancing, The Private Bank and Trust Company "Private Bank" is requesting that Milwaukee County enter into two loan covenants: 1) a collateral access agreement and 2) a notice of and consent to lien (hereto attached to this file) with Private Bank in the event that MPM would default on its loan and Private Bank would need to take possession of MPM's assets as collateral; and

WHEREAS, the existing lease and management agreement between Milwaukee County and MPM requires an access agreement so that Private Bank may legally enter the Museum in order to access MPM's assets; and

WHEREAS, it is recommended that Milwaukee County enter into an access agreement with Private Bank so that MPM is able to meet the necessary covenants to secure the loan; now, therefore,

BE IT RESOLVED, the Milwaukee County Board of Supervisors hereby authorizes the County Executive and County Clerk to execute a collateral access and notice of and consent to lien agreements between Private Bank and Milwaukee County in order for the Milwaukee Public Museum to meet the covenants to secure a loan with The Private Bank and Trust Company.

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 3/29/11

Original Fiscal Note ☒

Substitute Fiscal Note ☐

SUBJECT: A resolution authorizing the County Executive and County Clerk to execute loan covenants between The Private Bank and Trust Company ("Private Bank") and Milwaukee County in order for the Milwaukee Public Museum to secure a loan with Private Bank

FISCAL EFFECT:

☒ No Direct County Fiscal Impact

- ☐ Existing Staff Time Required

☐ Increase Operating Expenditures
(If checked, check one of two boxes below)

- ☐ Absorbed Within Agency's Budget
- ☐ Not Absorbed Within Agency's Budget

☐ Decrease Operating Expenditures

☐ Increase Operating Revenues

☐ Decrease Operating Revenues

☐ Increase Capital Expenditures

☐ Decrease Capital Expenditures

☐ Increase Capital Revenues

☐ Decrease Capital Revenues

☐ Use of contingent funds

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	0	0
	Revenue	0	0
	Net Cost	0	0
Capital Improvement Budget	Expenditure	0	0
	Revenue	0	0
	Net Cost	0	0

DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated. [1] If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

<u>Approval of this resolution will not require an expenditure of funds. Approval is necessary in order for MPM, Inc. to meet the loan convenants with its lender, The Private Bank and Trust Company. The lease agreement with MPM, Inc. and Milwaukee County require the County's approval of these loan covenant documents.</u>

Department/Prepared By <u>Steve Cady, Fiscal and Budget Analyst, County Board</u>

Authorized Signature ______________________________

Did DAS-Fiscal Staff Review? ☐ Yes ☒ No

[1] If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

By Supervisor Sanfelippo

A RESOLUTION

directing the formation of departmental efficiency study groups to begin the transformation to performance based budgeting to link funding to measurable program outcomes

WHEREAS, revenues from state and federal aids, which comprise approximately 29 percent of the County budget, are likely to be cut or remain stagnant over the next several years as budget reduction measures are passed down to the County; and

WHEREAS, successful performance based budgeting improves the efficiency of government services and enables the government to “do more with less;” and

WHEREAS, in order to implement performance based budgeting in Milwaukee County, a plan to transition to performance based measurement must be developed and initiated as part of the annual budget review process; and

WHEREAS, 2011 Wisconsin Act 10 (budget repair bill), if enacted, will provide Milwaukee County opportunities to achieve additional savings that will be needed in order to prepare for the reductions in aid expected to occur in the 2011-2013 State Budget; and

WHEREAS, in addition, policies, procedures and work rules should be reviewed to see if opportunities exist to save money while still delivering critical programs and services; and

WHEREAS, the appointment of a team of individuals, comprised of staff from the Executive and Legislative branches, departmental management and employees, as well as a representative from the private sector that has experience in the particular department can be formed (“study group”) for each departmental functional area (e.g. Courts and Judiciary, Health and Human Services, etc); and

WHEREAS, these study groups would analyze programs and services performed by each department and recommend specific actions to be taken that will increase the efficiency and effectiveness of its operations; and

WHEREAS, the study groups would also review policies and procedures and make recommendations for workplace rules that will promote a positive relationship between departmental management and employees in the wake of the pending changes to the collective bargaining process; and

WHEREAS, the goals and objectives of each department would be identified and measurement tools developed to prepare for a transition to performance based budgeting; and

WHEREAS, the recommendations of each departmental study group would later be forwarded to a budgeting reform taskforce comprised of appropriate fiscal staff from the Executive and Legislative branches to develop a plan to transition to a performance based method of budgeting; and

WHEREAS, many companies in the private sector form team-based structures, often with management and staff included, to evaluate their business models and make recommendations for improvement; and

WHEREAS, more than 50 percent of Fortune 500 companies employ this team approach in their day-to-day operations; and

WHEREAS, performance based budgeting:

- aims to improve the efficiency and effectiveness of public expenditures by linking the funding of public sector organizations to the results that they deliver, making systemic use of performance information

- allocates resources based on service performance; both planned and actual performances are measured in terms of service effectiveness and efficiency

- links resource allocation to service performance; the performance based budget sets forth, in measurable terms, all the services to be provided and at what level they are to be provided

- is an important policy statement in addition to being a budget document

- ensures that government decisions are carefully made on the basis of in-depth programmatic and financial analysis

- demonstrates results by clarifying what constitutes program success

- creates a better method for rewarding employees for outstanding service

; and

WHEREAS, embarking on a plan to implement performance based budgeting will help the County “do more with less” while delivering programs and services in an efficient, accountable manner; now, therefore,

BE IT RESOLVED, that the Milwaukee County Board of Supervisors hereby supports the effort to move to a performance based budgeting process to promote efficiency and accountability with scarce tax dollars; and

BE IT FURTHER RESOLVED, to begin this initiative, the first phase is the establishment of study groups for each departmental functional area that shall be comprised of staff from the Executive and Legislative branches, departmental management and employees, as well as a representative from the private sector that has experience in the particular department; and

BE IT FURTHER RESOLVED, that the study group for each departmental functional area shall be organized by the department heads, with the Executive and Legislative branches providing staff appointments, and the private sector appointments shall be jointly agreed to by the County Executive and County Board Chairman based on the recommendation(s) submitted by the department head; and

BE IT FURTHER RESOLVED, that the study groups shall analyze programs and services performed by each department and recommend specific actions to be taken that will increase the efficiency and the effectiveness of its operations; and

BE IT FURTHER RESOLVED, that the study groups shall also review policies and procedures and make recommendations for workplace rules (that complement existing civil service rules) that will promote a positive relationship between departmental management and employees in the wake of the pending changes to the collective bargaining process; and

BE IT FURTHER RESOLVED, that the study groups shall provide status reports to their respective policy committee and the Committee on Finance and Audit beginning no later than September 2011; and

BE IT FURTHER RESOLVED, that the County Board shall review and approve all recommendations from the study groups prior to moving forward with implementation of performance based budgeting; and

BE IT FURTHER RESOLVED, that a budgeting reform taskforce, comprised of appropriate fiscal staff from the Executive and Legislative branches, be convened to develop a plan to transition to a performance based method of budgeting after the study groups have developed, and policymakers approved, the desired performance outcomes; and

BE IT FURTHER RESOLVED, that it is the goal of the Milwaukee County Board of Supervisors that performance based budgeting be implemented, in whole or in part, beginning with the 2013 Budget.

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 4/4/11

Original Fiscal Note ☒

Substitute Fiscal Note ☐

SUBJECT: A resolution directing the formation of departmental efficiency study groups to begin the transformation to performance based budgeting to link funding to measurable program outcomes

FISCAL EFFECT:

☒ No Direct County Fiscal Impact

☒ Existing Staff Time Required

☐ Increase Operating Expenditures (If checked, check one of two boxes below)

☐ Absorbed Within Agency's Budget

☐ Not Absorbed Within Agency's Budget

☐ Decrease Operating Expenditures

☐ Increase Operating Revenues

☐ Decrease Operating Revenues

☐ Increase Capital Expenditures

☐ Decrease Capital Expenditures

☐ Increase Capital Revenues

☐ Decrease Capital Revenues

☐ Use of contingent funds

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	0	0
	Revenue	0	0
	Net Cost	0	0
Capital Improvement Budget	Expenditure	0	0
	Revenue	0	0
	Net Cost	0	0

DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated. [1] If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

Approval of this resolution will begin the process to move toward a performance based budgeting process for Milwaukee County. No additional appropriations are necessary to effectuate this resolution, however, it should be acknowledged that significant staff time will be required to carry out its directives. This is based on experience with *Charting the Course: Milwaukee County's Goals, Strategies and Actions* project that was implemented in 1999 and focused significantly on Outcome Based Services.

RECEIVED
2011 APR -4 PM 4: 16
COUNTY BOARD
CHAIRMAN

Department/Prepared By Steve Cady, Fiscal and Budget Analyst, County Board

Authorized Signature Stephen J. Cady

Did DAS-Fiscal Staff Review? ☐ Yes ☒ No

[1] If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

Daniel J. Diliberti
Milwaukee County Treasurer

DATE: March 9, 2011

TO: Lee Holloway, Chairman Milwaukee County Board of Supervisors

FROM: Daniel Diliberti, Milwaukee County Treasurer

RE: 2010 Annual Report on Public Funds
(Informational Item reviewed by Finance and Audit Committee)

Milwaukee County Ordinance 56.31 requires departmental officers who deposit public funds with any depository other than the County Treasurer to report annually to the County Board of Supervisors the status of such accounts. These accounts are typically "petty cash" or imprest fund accounts and are established for many different reasons. Some accounts, such as those held by the Department of Aging, are required by the federal government as a way to segregate the funds from other County money for accounting purposes.

On page two of the attachment, you will note there is an item near the bottom of the page called "Total Exposure." This concerns the total reported amounts deposited at that institution by various county departments. Each exposure is measured against whether these amounts are insured or collateralized.

Currently, the amount covered by Federal Deposit Insurance totals $250, 000, and unlimited on Non-Interest Bearing (NIB) accounts which expires December 31, 2012. Given the current instability of the banking sector, the Office of the Treasurer has taken several steps to safeguard the deposits reported to this office. We have recommended that those departments that hold deposits in non-securitized accounts to: (1) transfer those deposits to US Bank - which was awarded our county banking contract; or (2) transfer those deposits to banks that have signed collateral agreements with the Treasurer's Office and keep the Treasurer informed as to any changes in the deposited amounts. This office has secured collateralization agreements with M & I, Tri-City and US Bank.

One question that arises each year has to do with the NIB accounts. There are a variety of reported reasons for these accounts. For example, some NIB accounts are non-interest bearing checking accounts for authorized departmental disbursements. Another example is the House of Correction NIB account that holds the total amount of individual inmate holdings. If interest earnings would have to be broken out, calculated and applied to each small and variable inmate holding, additional HOC staff accounting costs would accrue with no balancing revenue.

Finally, the Community Reinvestment Act (CRA) ratings of all banks that hold County funds are listed at the bottom of the second page of the attachment. The CRA ratings are issued every five years. County funds are only deposited with those financial institutions that have a rating of "satisfactory" or above. Four of the reported Banks have an "outstanding" rating. Three have a "satisfactory" rating.

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Courthouse, Room 102 901 North 9th Street Milwaukee, Wisconsin 53233-1462
General Office: 414-278-4033 Fax: 414-223-1383

MILWAUKEE COUNTY
BANK ACCOUNTS AND BALANCES
NOT UNDER CONTROL OF THE COUNTY TREASURER

ORG	A/C No.	TYPE	MARSHALL & ILSLEY	NORTH MILWAUKEE	TRI-CITY NATL	U.S. BANK	PARK BANK	LEGACY BANK	COLUMBIA SAVINGS	PURPOSE/FOOTNOTE
Airport	0023-11-9888	Checking (NIB)	731.77							Imprest Fund-O.15.17(2)(w)
	0000-00-2119	Checking (NIB)	1,732.04							Imprest Fund-O.15.17(2)(w)
	121-667-805	Checking (NIB)				663,436.69				HOPP & Noise Mitigation Programs; O.15.17(5)(c)
Child Support Enforcement	112-795-661	Checking (NIB)				14,569.29				Expedite Legal Process-O.15.17(2)(gg)
	111-850-382	Checking (NIB)				107,383.61				Child Support Payments Resolution 97.769
Clerk of Circuit Court	001 810 1627	Checking (NIB)			320,000.00					Daily Operating Account WI Stat Sec 59.40
Corporation Counsel	00-02-2276	Checking (NIB)	468.80							Witness & Mileage Fees [2002=Imprest Fund-O.15.17(2)(d)]
County Clerk	005-02-2010	Checking (NIB)	43,538.46							Wage Assignments & Garnishments Ord 15.13
DOA-Housing	125637-83	Passbook 1.10%							610.85	HUD Rent Assist. Operating Reserve Resolution 93-703
***DOA-Real Estate**	121-641-592	Checking (NIB)				98,189.91				Earnest Money Escrow Resolution 93-1005
***This account has the State Tax ID number. Interest earned on this account is paid to the State of Wisconsin for the Homeless. Should not be on the public funds list**										
DOA-Disadvantaged Business	6003168	Money Mkt. 1.51%		292,902.53						Minority Business Loan Program
Department on Aging	21-21-0387	Money Market .0054%	13,065.96							COP Risk Reserve Account (external ins.) File No 02-107
Department of Family Care	19-197-046	Money Market .050%	5,902,154.48							Risk & Solvency Reserve (external insurance) File NO 00-635
	00450-83698	Money Market .0050%	3,361,015.62							CMO Solvency Restricted Reserve File No 09-107
House of Correction	000-110-7678	Checking (NIB)			421,934.82					Inmate Trust Funds 15.18
	001-108-363	Checking (NIB)			-16,219.04					Inmate Trust Funds 15.18
Department of Human Services	112-800-395	Checking (NIB)				500.00				Petty Cash ord 15.17
	111-850-200	Checking (NIB)				3,500.00				Petty Cash ord 15.17
Parks	0001108945	Checking (NIB)			18,198.09					Petty Cash-Ordinance 15.17
Register of Deeds	121-740-582	Checking (NIB)				1,042.61				Petty Cash - Overpayment Refunds Ord 15.17 & 15.19
**** Foley and Lardner are the name and tax ID number on the account. This account will be closed during the next year.**										

MILWAUKEE COUNTY
BANK ACCOUNTS AND BALANCES
NOT UNDER CONTROL OF THE COUNTY TREASURER

ORG	A/C No.	TYPE	MARSHALL & ILSLEY	NORTH MILWAUKEE	TRI-CITY NATL	U.S. BANK	PARK BANK	LEGACY BANK	COLUMBIA SAVINGS	PURPOSE/FOOTNOTE
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Sheriff	1602185	Checking (NIB)			392,014.73					Federal Forfeiture Funds
	1260-0150	N.O.W.Check 0.40%			0.00					Metro. Drug Enforcement
	182380410668	Checking				1,274,433.68				Daily Operating Account
	182380410650	Checking				631,710.90				Inmate Trust Account
	013-0000-930	Money Market 3.04%						50,523.69		Excess Daily Operating Account
	015-0000-979	Cert. Deposit 3.04%						100,000.00		Excess Daily Operating Account
Veteran Service Office Milw Cty	182380382198	Checking				1,797.90				Levy Donation Res. 07-2007 Help for Financ Hardship Veteran
District Attorney	42694971	Checking	3,993.51							New Account 12/29/06 Ord 15.17
	04-58-3722	Money Market 4.55%	11,497.13							Asset Forfeiture Fund
Behavioral Health Division	001-01104-688	N.O.W.Check 0.50%			16,479.80					MHC Inpatient Funds Ord 15.18
	001-01104-872	N.O.W.Check 0.50%			80,580.76					MHC Inpatient Funds Ord 15.18
	112-803-334	Checking (NIB)				2,525.03				Petty Cash Ord 15.17
	001-20-399	Checking (NIB)	174,177.54							CSP Client Living Exp. Ord 15.18
	112-710-242	Checking (NIB)				161,114.01				CSP Client Living Exp. Ord 15.18
	183-197-765	Checking (NIB)				131,455.81				CSP Client Living Exp. Ord 15.18
Milwaukee Transport Services	0034312630	Checking (NIB)	5,796.21							Pension Benefit Payments
	0034312586	Checking (NIB)	3,162,716.22							Operating Account
	0034312608	Checking (NIB)	10,443.76							Employee Payroll
DPTW-Highway Maintenance	6109605	Checking (NIB)			988.00					Petty Cash ord 15.17
	Total-Above Accounts		12,691,331.50	292,902.53	1,233,977.16	3,091,659.44	0.00	150,523.69	610.85	17,461,005.17
	Treasurer Accounts									0.00
	CD's Outstanding		0.00	0.00	0.00	0.00	0.00		0.00	0.00
	Total Exposure		12,691,331.50	292,902.53	1,233,977.16	3,091,659.44	0.00	150,523.69	610.85	17,461,005.17
CRA Rating			**Outstanding**	**Outstanding**	**Satisfactory**	**Outstanding**	**Satisfactory**	**Outstanding**	**Satisfactory**	
Date			**02/16/09**	**05/01/06**	**02/13/06**	**12/31/08**	**08/01/08**	**08/29/05**	**05/01/09**	

OFFICE OF CORPORATION COUNSEL

Milwaukee County

TIMOTHY R. SCHOEWE
Interim Corporation Counsel

ROBERT E. ANDREWS
Deputy Corporation Counsel

JOHN F. JORGENSEN
MARK A. GRADY
JOHN E. SCHAPEKAHM
TIMOTHY R. KARASKIEWICZ
JEANEEN J. DEHRING
ROY L. WILLIAMS
COLLEEN A. FOLEY
LEE R. JONES
MOLLY J. ZILLIG
Principal Assistant
Corporation Counsel

DATE: March 30, 2011

TO: Supervisor Johnny Thomas, Committee on Finance and Audit
Supervisor Patricia Jursik, Committee on Personnel

FROM: Mark A. Grady, Principal Assistant Corporation Counsel

SUBJECT: File No. 11-47, creation of Correction Officer Lieutenant positions

The Committee on Finance and Audit referred this file to our office to develop "language deleting the Rule of 75 eligibility loophole that may exist related to the proposed creation" of Correction Officer Lieutenant positions. The Personnel Committee also discussed this File at its March 11, 2011 meeting. Attached is a draft resolution and ordinance amendment that addresses the referral.

This change, as with any change to the pension benefits in the retirement system, must be referred to the Pension Study Commission, under Chapter 200 of the ordinances, and to the Pension Board, under section 201.24(8.17) of the ordinances, for review, actuarial analysis, and comment prior to action by the County Board of Supervisors. A fiscal note will be completed once the actuarial report is received.

Mark A. Grady

MARK A. GRADY
Principal Assistant Corporation Counsel

Attachment

cc(w/att.): Carol Mueller
Jodi Mapp
Steve Cady
Rick Ceschin
Inspector Richard Schmidt
Gerald Schroeder

901 NORTH 9TH STREET, ROOM 303, COURTHOUSE • MILWAUKEE, WI 53233 • TELEPHONE (414) 278-4300 • FAX (414) 223-1249

By

Res. File 11-
Journal,

A RESOLUTION

To amend Sections 201.24(4.1) of the Milwaukee County Code of General Ordinances as it pertains to certain pension benefit enhancements for non-represented employees.

WHEREAS, the pension benefit enhancements granted to non-represented employees in 2000 (File No. 00-666) were terminated for all new hires through subsequent pension Ordinance revisions and collective bargaining agreements; and

WHEREAS, in adopting the above referenced revisions and agreements, it was the clear intent of policymakers to prevent the extension of any enhanced benefits to future hires, appointees or any employee who had not received the benefits through a prior collective bargaining agreement; and

WHEREAS, because pension benefit entitlement is generally tied to the date of enrollment in the Employee's Retirement System of the County of Milwaukee, anomalies in the Ordinances currently permit certain existing represented Correction Officers to qualify for enhanced pension benefits that they would not otherwise qualify for upon a change from a represented Correction Officer position to an unrepresented position (for example, a Correction Officer Lieutenant); and;

WHEREAS, although the provision of the normal retirement age requirement of the pension ordinance known as the "Rule of 75" was not part of the earlier benefit enhancements, the receipt of that benefit would represent a pension gain for certain represented Correction Officers as described above; and

WHEREAS, because of the past, current and future costs to Milwaukee County and its pension fund related to the Rule of 75, and because policymakers have clearly expressed their intent to limit those benefits to those employees already eligible to receive them, it is appropriate and desirable to prevent any current or future employee from gaining these benefits; and

WHEREAS, the proposed changes have been referred to the pension fund actuary whose actuarial analysis indicates the proposed changes will have a positive actuarial effect for the fund; and

WHEREAS, the Pension Study Commission reviewed the actuary's report on _______, ____, 2011 and has recommended the County Board adopt the proposed changes (Vote X-X);

2808309

WHEREAS, the Pension Board was provided an opportunity to comment on the proposed change and its response has been received;

NOW THEREFORE

BE IT RESOLVED, that the Milwaukee County Board of Supervisors hereby amends Section 201.24(4.1) of the Milwaukee County Code of General Ordinances by adopting the following:

AN ORDINANCE

The County Board of Supervisors of the County of Milwaukee does ordain as follows:

SECTION 1. Section 201.24 (4.1) of the General Ordinances of Milwaukee County, up to and including __________, is amended as follows:

4.1. Normal retirement.

A member shall be eligible for a normal pension if his employment is terminated on or after he has attained age fifty-five (55) and has completed thirty (30) years of service, or if his employment is terminated on or after he has attained age sixty (60). Deputy sheriffs shall be eligible to retire at age fifty-seven (57) regardless of their number of years of service or at age fifty-five (55) with at least fifteen (15) years of creditable pension service. A member who is not covered by the terms of a collective bargaining agreement at the time his employment is terminated and whose initial membership in the retirement system under chapter 201.24 began prior to January 1, 2006, retires on and after September 1, 1993, shall be eligible for a normal pension when the age of the member when added to his years of service equals seventy-five (75), but this provision shall not apply to any member eligible under section 4.5, nor to a member who was formerly a represented deputy sheriff who was hired as a deputy sheriff after December 31, 1993 and who was appointed to a non-represented position effective after June 30, 2009, nor to a member who was formerly a represented correction officer who was hired as a correction officer after December 31, 1993 and who was appointed to a non-represented position effective after May 1, 2011.

SECTION 2. The provisions of this ordinance shall be effective upon passage and publication.

6

County of Milwaukee
Office of the Sheriff

Referred JAN 2011 County Board Chairman

Personnel (Finance) DAS DHR

FILE NO. 11-47

David A. Clarke, Jr.
Sheriff

DATE: January 3, 2011

TO: Supervisor Michael Mayo, Sr., Acting Chairman, County Board of Supervisors

FROM: Richard Schmidt, Inspector, Milwaukee County Office of the Sheriff

SUBJECT: Request to Abolish 18 Positions of Deputy Sheriff Sergeant (Title Code 00061700) (PR 22B) and Create 18 Positions of Correctional Officer Lieutenant (Title Code 00058610) (PR 23CM) for the County Correctional Facility Central of the Office of the Sheriff effective February 21, 2011. Abolishment of the positions would occur upon the filling of Correctional Officer Lieutenant positions

REQUEST

The Sheriff of Milwaukee County requests the abolishment of eighteen positions of Deputy Sheriff Sergeant and the creation of eighteen positions of Correctional Officer Lieutenant for the County Correctional Facility Central (CCFC) of the Office of the Sheriff.

BACKGROUND

As a part of the 2005 Adopted Budget, the Office of the Sheriff began a program of eliminating Deputy Sheriff positions in the County Correctional Facility Central (CCFC) upon vacancy and replacing them with Correctional Officers. This initiative was implemented for a variety of reasons including the realization that Deputies were working in the CCFC as officers in the housing units, which is the same function that Correctional Officers served at the County Correctional Facility South. Typically, new Deputies would spend the first five years of their service as a housing office in the CCFC.

A newly hired Deputy was spending 20 weeks in training before being deployed while Correctional Officers were spending four weeks in training since Deputies required training in all areas of law enforcement instead of just corrections. Transitioning to Correctional Officers in the CCFC meant that substantial training hours could be saved. This change led to a reduction of approximately 32,000 hours of overtime staffing that had previously occurred while deputies were in recruit training. In 2005, there were 37.5 Correctional Officers budgeted in the CCFC, in 2011 there are 212 Correctional Officers budgeted. During the same time period, deputies have decreased in the Jail from 292 in 2005 to 39 in 2011. The remaining Deputies in the CCFC will be replaced by Correctional Officers upon vacancy. Eventually, all budgeted positions in the CCFC currently filled by a Deputy Sheriff will be staffed by a Correctional Officer.

The other major change that has occurred in the Office of the Sheriff is that the 2009 Adopted Budget transferred administration of the House of Correction to the Office of the Sheriff. This was done primarily due to the use of excessive mandatory overtime at the House of Correction in recent years, a history of tax levy deficits and an audit report from the National Institute of Corrections that identified serious operational deficiencies at the House of Correction. One major tenant of the audit report suggested that establishing a single correctional department under the Office of the Sheriff would be a significant step toward correcting problems at the House of Correction. The Office of the Sheriff has worked in 2009 and 2010 toward establishing the agency as one detention unit, comprised of the County Correctional Facility South (CCFS) (formerly the HOC) and the County Correctional Facility Central (CCFC), which has resulted in changes both at the South and Central Correctional Facilities.

These two majors changes have resulted in a large increase in correctional staff at the CCFC. The CCFS has Correctional Officer Lieutenant positions that serve as the immediate supervisor to Correctional Officers. In recognition of a singe correctional department under the Office of the Sheriff, the large increase in Correctional Officers at the CCFC and the need for a career ladder for the correctional staff, the Sheriff desires to abolish the Deputy Sheriff Sergeant positions currently budgeted in the CCFC and create Correctional Officer Lieutenant positions instead. The use of Correctional Officer Lieutenants as the immediate supervisory staff in the CCFC is consistent with the staffing patterns at the CCFS.

Currently, 20 Deputy Sheriff Sergeant positions in the Sheriff's Office are filled by Deputy Sheriff 1s on Temporary Assignment to Higher Classifications (TAHC).

It is requested that the abolishment of the positions occur upon the filling of the Correctional Officer Lieutenant positions. The Office of the Sheriff does not want a situation to occur where there are no filled supervisory positions in the CCFC due to the timing of the recruitment and filling of the new CO Lieutenant positions. Enabling the TAHCs to stay in place until the Lieutenant positions are filled would allow for a seamless transition from Sergeants to Lieutenants in the CCFC.

FISCAL NOTE

The abolishment of eighteen positions of Deputy Sheriff Sergeant and the creation of eighteen positions of Correctional Officer Lieutenant will result in decreased costs of $114,008 for 2011 for salary and social security costs and $134,737 in 2012 for salary and social security costs. Additional overtime savings may be achieved due to Correctional Officer Lieutenants accruing overtime on a straight time basis versus Deputy Sheriff Sergeants accruing overtime on a time and a half basis.

Inspector Richard R. Schmidt

Richard Schmidt, Inspector, Milwaukee County Office of the Sheriff

cc: Chairman, Finance and Audit Committee
Patricia Jursik, Chairman, Personnel Committee
Candice Richardson, DAS-Division of Human Resources
Deputy Inspector Kevin Nyklewicz, Office of the Sheriff
Jon Priebe, Public Safety Fiscal Administrator

Finance
Personnel
DAS
DHR

Referred
JAN 2011
County Board
Chairman

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

DATE : January 6, 2011 FILE NO. 11-47

TO : Supervisor Michael Mayo, Chairman, County Board of Supervisors

FROM : John Ruggini, Assistant Fiscal and Budget Administrator, DAS - Fiscal

SUBJECT : Request to Abolish 18.0 FTE of Deputy Sheriff Sergeant (Title Code 00061700) (PR 22B) and Create 18.0 FTE of Correctional Officer Lieutenant (Title Code 00058610) (PR 23CM) for the County Correctional Facility Central of the Office of the Sheriff effective February 21, 2011. Abolishment of the positions would occur upon the filling of Correctional Officer Lieutenant positions

REQUEST

The Sheriff of Milwaukee County requests the abolishment of eighteen positions of Deputy Sheriff Sergeant and the creation of eighteen positions of Correctional Officer Lieutenant for the County Correctional Facility Central (CCFC) of the Office of the Sheriff.

BACKGROUND/ANALYSIS

As a part of the 2005 Adopted Budget, the Office of the Sheriff began a program of eliminating Deputy Sheriff positions in the County Correctional Facility Central (CCFC) upon vacancy and replacing them with Correctional Officers. This initiative was implemented for a variety of reasons including the realization that Deputies were working in the CCFC as officers in the housing units, which is the same function that Correctional Officers served at the County Correctional Facility South (CCFS). Typically, new Deputies would spend the first five years of their service as a housing office in the CCFC.

A newly hired Deputy was spending 20 weeks in training before being deployed while Correctional Officers were spending four weeks in training since Deputies required training in all areas of law enforcement instead of just corrections. Transitioning to Correctional Officers in the CCFC meant that substantial training hours would be saved. This change led to a reduction of approximately 32,000 hours of overtime staffing that had previously occurred while deputies were in recruit training. In 2005, there were 37.5 Correctional Officers budgeted in the CCFC; in 2011 there are 212 Correctional Officers budgeted. During the same time period, deputies have decreased in the Jail from 292 in 2005 to 39 in 2011. The remaining Deputies in the CCFC will be replaced by Correctional Officers upon vacancy. Eventually, all budgeted positions in the CCFC currently filled by a Deputy Sheriff will be staffed by a Correctional Officer.

The other major change that has occurred in the Office of the Sheriff is that the 2009 Adopted Budget transferred administration of the House of Correction to the Office of the Sheriff. This was done primarily due to the use of excessive mandatory overtime at the House of Correction in recent years, a history of tax levy deficits and an audit report from the National Institute of Corrections that identified serious operational deficiencies at the

House of Correction. One major tenant of the audit report suggested that establishing a single correctional department under the Office of the Sheriff would be a significant step toward correcting problems at the House of Correction. The Office of the Sheriff has worked in 2009 and 2010 toward establishing the agency as one detention unit, comprised of the County Correctional Facility South (CCFS), (formerly the House of Correction) and the County Correctional Facility Central (CCFC), which has resulted in changes both at the South and Central Correctional Facilities.

These two major changes have resulted in a large increase in correctional staff at the CCFC. The CCFS has Correctional Officer Lieutenant positions that serve as the immediate supervisor to Correctional Officers. In recognition of a single correctional department under the Office of the Sheriff, the large increase in Correctional Officers at the CCFC and the need for a career ladder for the correctional staff, the Sheriff desires to abolish the Deputy Sheriff Sergeant positions currently budgeted in the CCFC and create Correctional Officer Lieutenant positions instead. The use of Correctional Officer Lieutenants as the immediate supervisory staff in the CCFC is consistent with the staffing patterns at the CCFS.

The Sheriff's Office has requested that the abolishment of the positions occur upon the filling of the Correctional Officer Lieutenant positions. Currently, 20.0 FTE Deputy Sheriff Sergeant positions in the Sheriff's Office are filled by Deputy Sheriff 1s on Temporary Assignment to Higher Classifications (TAHC). The Office of the Sheriff does not want a situation to occur where there are no filled supervisory positions in the CCFC due to the timing of the recruitment and filling of the new CO Lieutenant positions. Enabling the TAHCs to stay in place until the Lieutenant positions are filled would allow for a seamless transition from Sergeants to Lieutenants in the CCFC. No filled positions will be abolished through this action.

FISCAL EFFECT

The abolishment of eighteen positions (18.0 FTE) of Deputy Sheriff Sergeant and the creation of eighteen positions (18.0 FTE) of Correctional Officer Lieutenant will result in decreased costs of $109,698 for 2011 for salary and social security costs and $135,817 in 2012 for salary and social security costs. Additional overtime savings may be achieved due to Correctional Officer Lieutenants accruing overtime on a straight time basis versus Deputy Sheriff Sergeants accruing overtime on a time and a half basis.

RECOMMENDATION

In light of the ongoing transition from Deputy Sheriff's to Correctional Officer's in the CCFS , the recognition of the correctional facilities being operated within the same department, and the necessity to create a career ladder position for staff entering into these positions, <u>it is</u>

recommended that the request to create eighteen positions (18.0 FTE) of Correctional Officer Lieutenant and abolish eighteen (18.0 FTE) positions of Deputy Sheriff Sergeant be approved effective May 1, 2010.

DAS Analyst: Joe Carey

John Ruggini
Assistant Fiscal and Budget Administrator

CC:
Lee Holloway, Interim County Executive
Candace Richards, Interim-Director of Human Resources
Terrence Cooley, Chief of Staff, County Board
Rick Ceschin, County Board Fiscal and Budget Analyst
Richard Schmidt, Inspector, Office of the Sheriff
Renee Booker, Interim Director, Department of Administrative Services

File No.
(Journal)

(ITEM) Request to Abolish 18 Positions of Deputy Sheriff Sergeant (Title Code 00061700) (PR 22B) and Create 18 Positions of Correctional Officer Lieutenant (Title Code 00058610) (PR 23CM) in the Office of the Sheriff

A RESOLUTION

WHEREAS, as a part of the 2005 Adopted Budget, the Office of the Sheriff began a program of eliminating Deputy Sheriff positions in the County Correctional Facility Central (CCFC) upon vacancy and replacing them with Correctional Officers.

WHEREAS, in 2005, there were 37.5 Correctional Officers budgeted in the CCFC, in 2011 there are 212 Correctional Officers budgeted. During the same time period, deputies have decreased in the Jail from 292 in 2005 to 39 in 2011.

WHEREAS, an audit report from the National Institute of Corrections suggested establishing a single correctional department under the Office of the Sheriff The Office of the Sheriff has worked in 2009 and 2010 toward establishing the agency as one detention unit, comprised of the County Correctional Facility South (CCFS), (formerly the House of Correction) and the County Correctional Facility Central (CCFC), which has resulted in changes both at the South and Central Correctional Facilities.

WHEREAS, in recognition of a single correctional department under the Office of the Sheriff, the large increase in Correctional Officers at the CCFC and the need for a career ladder for the correctional staff, the Sheriff requested to abolish the Deputy Sheriff Sergeant positions currently budgeted in the CCFC and create Correctional Officer Lieutenant positions instead.

WHEREAS, the Sheriff's Office has requested that the abolishment of the positions occur upon the filling of the Correctional Officer Lieutenant positions. Currently, 20.0 FTE Deputy Sheriff Sergeant positions in the Sheriff's Office are filled by Deputy Sheriff 1s on Temporary Assignment to Higher Classifications (TAHC).

WHEREAS, the Office of the Sheriff does not want a situation to occur where there are no filled supervisory positions in the CCFC due to the timing of the recruitment and filling of the new CO Lieutenant positions.

WHEREAS, enabling the TAHCs to stay in place until the Lieutenant positions are filled would allow for a seamless transition from Sergeants to Lieutenants in the CCFC, NOW THEREFORE,

BE IT RESOLVED, that the following position actions are approved for the Office of the Sheriff effective February 21, 2011:

Action	Title	No. of Positions	Pay Range
Create	Correctional Officer Lieutenant	18.0	23CM
Abolish	Deputy Sheriff Sergeant	18.0	22B

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 1/11/11

Original Fiscal Note ☒

Substitute Fiscal Note ☐

SUBJECT: Request to Abolish 18.0 Positions of Deputy Sheriff Sergeant (Title Code 00061700) (PR 22B) and Create 18.0 Positions of Correctional Officer Lieutenant (Title Code 00058610) (PR 23CM) in the Office of the Sheriff

FISCAL EFFECT:

☐ No Direct County Fiscal Impact

☐ Existing Staff Time Required

☐ Increase Operating Expenditures (If checked, check one of two boxes below)

☐ Absorbed Within Agency's Budget

☐ Not Absorbed Within Agency's Budget

☒ Decrease Operating Expenditures

☐ Increase Operating Revenues

☐ Decrease Operating Revenues

☐ Increase Capital Expenditures

☐ Decrease Capital Expenditures

☐ Increase Capital Revenues

☐ Decrease Capital Revenues

☐ Use of contingent funds

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	($109,698)	($135,817)
	Revenue	0	0
	Net Cost	0	0
Capital Improvement Budget	Expenditure		
	Revenue		
	Net Cost		

DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated.[1] If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

A. Request to Abolish 18.0 FTE of Deputy Sheriff Sergeant (Title Code 00061700) (PR 22B) and Create 18.0 FTE of Correctional Officer Lieutenant (Title Code 00058610) (PR 23CM) for the County Correctional Facility Central of the Office of the Sheriff effective February 21, 2011. Abolishment of the positions would occur upon the filling of Correctional Officer Lieutenant positions

B. The abolishment of eighteen positions (18.0 FTE) of Deputy Sheriff Sergeant and the creation of eighteen positions (18.0 FTE) of Correctional Officer Lieutenant will result in decreased costs of $109,698 for 2011 for salary and social security costs and $135,817 in 2012 for salary and social security costs. Additional overtime savings may be achieved due to Correctional Officer Lieutenants accruing overtime on a straight time basis versus Deputy Sheriff Sergeants accruing overtime on a time and a half basis.

C. There is no budgetary impact other than the reduction in expenditures stated in "B".

D. It is assumed that the positions will not be filled until there are vacancies within the Deputy Sheriff Sergeant classification. The 2011 expenditure reduction assumes the creation and abolishment of the position at the start of pay period 21. The 2012 expenditure reduction assumes a full year implementation. The fringe benefit rate assumed was $15,984 for health and 22.43% of salary for pension.

Department/Prepared By Joe Carey

Authorized Signature

[1] If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

Did DAS-Fiscal Staff Review? ☒ Yes ☐ No

COUNTY OF MILWAUKEE
DAS – Division of Human Resources
INTER-OFFICE COMMUNICATION

DATE : January 19, 2011

TO : Committee on Personnel

Candace M. Richards

FROM : Candace Richards, Interim Director of Human Resources

SUBJECT : **Creation Recommended by Finance Committee**

A review of the duties to be assigned to the new positions requested by the Office of the Sheriff has resulted in the following recommendation:

Org. Unit	Title Code	No. of Positions	Recommended Title	Pay Range	Min/Max of Pay Range
4000	**58610**	**18**	**Correction Officer Lieutenant**	**23CM**	**$47,638-$59,044**

COUNTY OF MILWAUKEE
INTER-OFFICE COMMUNICATION

DATE: March 29, 2011

TO: Supervisor Lee Holloway, Chairman, County Board of Supervisors

FROM: Charles Wikenhauser, Zoo Director

SUBJECT: **REQUEST FOR A REVISION TO COUNTY ORDINANCE 15.17(2)(ee) PERTAINING TO THE IMPREST FUND FOR THE ZOOLOGICAL GARDENS**

RECOMMENDATION

The Zoological Gardens recommends that the County Board of Supervisors authorize the revision to County Ordinance 15.17(2)(ee) to:

1. Zoological Gardens (April-November) for an increase of $18,500 and total of $75,000.

2. Zoological Gardens (December-March) for $32,000.

BACKGROUND

A transfer of $18,500 is requested to temporarily increase the Zoological Gardens Imprest Fund from $56,500 to $75,000 and a permanent increase

The Zoological Gardens Imprest Fund is utilized for:

1. Petty cash purchases;
2. Change machines;
3. Goat yard machines;
4. Special Events and bars; and
5. Start-up cash and change for revenue producing operations

The $18,500 for the busy season transfer is requested primarily to have sufficient change for the revenue producing operations during the Zoo's high-volume weekends, holidays and Zoo a la Carte. Experience has shown that the current amount allocated for change are insufficient to handle the increased weekend requirements at teh Zoo's Concession, Novelty, Admission and Ride venues.

Due to the seasonal nature of these activities, the $18,500 increase will only be needed from March through October. Therefore, the April increase to the Zoological Garden's Imprest Fund will be returned to the operating accounts in November.

FISCAL NOTE

Approval of this recommendation would have no fiscal impact since the funds would be returned to the Imprest Fund Reserve by the end of November each year. A fund transfer would need to be submitted and approved to reallocate these expenditures..

____

Charles Wikenhauser
Zoo Director

c: County Executive Marvin Pratt
Supervisor Johnny Thomas, Vice Chairman, Finance Committee
Supervisor Gerry Broderick, Chairman, Parks, Energy and Environment Committee
Renee Booker, Director, Department of Administration
John Ruggini, Assistant Fiscal and Budget Administrator
Sarah Jankowski, DAS, Fiscal and Management Analyst
Julie Esch, Senior Research Analyst, County Board
Vera Westphal, Deputy Zoo Director (Admin./Finance)
Sue Rand, Accounting Manager (Zoo)

(Journal,)

From the Director of the Zoological Gardens, requesting an amendment to the General Ordinances of Milwaukee County to increase the Zoo's Imprest Fund by $18,500 from $56,500 to $75,000, for the busy season, April to November, by recommending adoption of the following:

A RESOLUTION/ORDINANCE

WHEREAS, the current amount authorized in the Zoo Imprest Fund for the period from April to November is $56,500 and December to March is $32,000, and

WHEREAS, the Zoo has identified a need to increase the busy season allocations due to the number of high volume weekends at the Zoo, and

WHEREAS, the Zoo requests approval to increase the current amount authorized in the Zoo Imprest Fund from April to November by $18,500 from $56,500 to $75,000, in order to properly and efficiently manage demands for petty cash, and

WHEREAS, the seasonal change in the allocation does not change expenditures and will result in better customer service; and

WHEREAS, the Committee on Finance and Audit, at its meeting in April 2011, recommended approval of the Department's request; and

BE IT RESOLVED, that the following Ordinance is hereby adopted:

AN ORDINANCE

To amend Section 15.17(2)(ee)(2) of the General Ordinances of Milwaukee County to reflect current needs for usage of the Zoo Imprest Fund.

The County Board of Supervisors of the County of Milwaukee does ordain as follows:

SECTION 1. Section 15.17(2)(ee)(2) of the General Ordinances of Milwaukee County, as amended which currently reads:

15.17(2)

	Amount	*Bankable*
(ee) 1. Zoological Gardens, (Apr-Nov)	~~$56,500~~	Yes

is hereby amended as follows:

15.17(2)

	Amount	*Bankable*
(ee) 1. Zoological Gardens, (Apr-Nov)	$75,000	Yes

SECTION 2. This Ordinance shall become effective upon passage and publication.

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 3/29/2011

Original Fiscal Note ☒

Substitute Fiscal Note ☐

SUBJECT: ZOOLOGICAL GARDEN'S IMPREST FUND

FISCAL EFFECT:

☒ No Direct County Fiscal Impact

☐ Existing Staff Time Required

☐ Increase Operating Expenditures
(If checked, check one of two boxes below)

☐ Absorbed Within Agency's Budget

☐ Not Absorbed Within Agency's Budget

☐ Decrease Operating Expenditures

☐ Increase Operating Revenues

☐ Decrease Operating Revenues

☐ Increase Capital Expenditures

☐ Decrease Capital Expenditures

☐ Increase Capital Revenues

☐ Decrease Capital Revenues

☐ Use of contingent funds

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	0	0
	Revenue	0	0
	Net Cost	0	0
Capital Improvement Budget	Expenditure	0	0
	Revenue	0	0
	Net Cost	0	0

DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated. [1] If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

<u>A. The Zoo is requesting that Ordinance 15.17(2)(ee) be amended to increase the Imprest Fund for the months of April through November by $18,500, from $56,500 to $75,000.</u>

<u>B. There is no fiscal impact with this request.</u>

[1] If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

Department/Prepared By Sue Rand, Zoo Accounting Manager

Authorized Signature ______________________________

Did DAS-Fiscal Staff Review? ☐ Yes ☒ No

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

Date: March 28, 2011

To: Supervisor Lee Holloway, Chairman, County Board of Supervisors

From: Laurie Panella, Interim Chief Information Officer, IMSD

Subject: Request for Authorization to execute a Professional Services Contract Amendment with the Joxel Group, LLC

REQUEST

The Department of Administrative Services – Information Management Services Division (IMSD) requests approval to amend the existing professional services agreement with the Joxel Group, LLC (TJG) for the Electronic Medical Records (EMR) replacement project.

The effect of the requested amendment would be to extend the current professional services contract to cover "Phase 2 – Request for Proposal (RFP) Process and Vendor Selection" of the EMR replacement project and to increase the total value of the contract by $169,440 bringing the total value of the contract from $184,700 to $354,140.

BACKGROUND

Capital project WO444 - Electronic Medical Records System (EMR) was adopted in the 2010 Capital Improvement Budget to replace the EMR system for the Office of the Sheriff (MCSO) and to implement a new EMR system for the Behavioral Health Division (BHD). IMSD was appointed project lead on this initiative.

The EMR project is broken down into four phases:
Phase 1 – Planning and Design
Phase 2 – Request for Proposal (RFP) Process and Vendor Selection
Phase 3 – Implementation
Phase 4 – Closeout and Audit

The Joxel Group (TJG) was competitively awarded a professional services contract to provide both program management and project management services for the EMR project executed on August 9, 2010. In addition, the County Board of Supervisors previously approved File No. 10-325, which provided authority pursuant to Milwaukee County Code of General Ordinances (MCGO) Chapter 56.30 (4)(b)(3)(a) for professional service contracts and extension exceeding $50,000.

TJG has since completed Phase 1 of the EMR project and IMSD is requesting to continue using TJG during Phase 2, which is currently in process. Upon completion of Phase 2, IMSD will be able to produce cost estimates for the remaining phases (Phase 3 and Phase 4) of the EMR project based upon the proposed replacement solutions. Because the 2011 appropriation for this project was originally funded with proceeds from the UWM land sale, IMSD is recommending that the funding of $169,440 necessary to complete Phase 2 be funded from the 2011 IMSD operating budget if capital funds are unavailable.

In addition, IMSD will need to work with the Department of Administrative Services (DAS) as estimates for the remaining phases (Phase 3 and Phase 4) of this project become available to determine financing mechanisms, cash flow, and future appropriations needed to complete this project overall.

IMSD would return to the County Board for final approval of the proposed EMR solutions, including related financing considerations, before proceeding with implementation for this project.

RECOMMENDATION

The Interim Chief Information Officer of the Department of Administrative Services – Information Management Services Division (IMSD) respectfully requests approval to amend the professional services contract with the Joxel Group, LLC (TJG) for program and project management services related to the Electronic Medical Records (EMR) replacement project.

The effect of the requested amendment would be to extend the current professional services contract to cover "Phase 2 – Request for Proposal (RFP) Process and Vendor Selection" of the EMR replacement project and to increase the total value of the contract by $169,440 bringing the total value of the contract from $184,700 to $354,140.

A resolution and fiscal note are attached for your review and referral to the appropriate committee of the County Board of Supervisors.

Sincerely,

Laurie Panella, IMSD
Interim Chief Information Officer

cc: Marvin Pratt, County Executive
E. Marie Broussard, Deputy Chief of Staff, County Executive's Office
Supervisor Johnny Thomas, Chair, Finance and Audit Committee
Steve Cady, Fiscal and Budget Analyst, County Board
Pamela Bryant, Capital Finance Manager, DAS
Justin Rodriguez, Capital Finance Planning Analyst, DAS
Davida Amenta, Fiscal and Management Analyst, DAS
Carol Mueller, Committee Clerk, Finance and Audit Committee
Sushil Pillai, The Joxel Group, LLC

File No.
(Journal,)

(ITEM *) Request authorization to amend a professional services contract between Joxel Group, LLC and the Information Management Services Division (IMSD) for program and project management services related to Electronic Medical Records (EMR) replacement, by recommending adoption of the following:

A RESOLUTION

WHEREAS, the Department of Administrative Services – Information Management Services Division (IMSD) requests approval to amend the existing professional services agreement with the Joxel Group, LLC (TJG) for the Electronic Medical Records (EMR) replacement project; and

WHEREAS, the effect of the requested amendment would be to extend the current professional services contract to cover "Phase 2 – Request for Proposal (RFP) Process and Vendor Selection" of the EMR replacement project and to increase the total value of the contract by $169,440 bringing the total value of the contract from $184,700 to $354,140; and

WHEREAS, capital project WO444 - Electronic Medical Records System (EMR) was adopted in the 2010 Capital Improvement Budget to replace the EMR system for the Office of the Sheriff (MCSO) and to implement a new EMR system for the Behavioral Health Division (BHD) and IMSD was appointed project lead on this initiative; and

WHEREAS, the EMR project is broken down into four phases including Phase 1 – Planning and Design, Phase 2 – Request for Proposal (RFP) Process and Vendor Selection, Phase 3 – Implementation, Phase 4 – Closeout and Audit; and

WHEREAS, the Joxel Group (TJG) was competitively awarded a professional services contract to provide both program management and project management services for the EMR project executed on August 9, 2010 and the County Board of Supervisors previously approved File No. 10-325, which provided authority pursuant to Milwaukee County Code of General Ordinances (MCGO) Chapter 56.30 (4)(b)(3)(a) for professional service contracts and extension exceeding $50,000; and

WHEREAS, TJG has since completed Phase 1 of the EMR project and IMSD is requesting to continue using TJG during Phase 2, which is currently in process and upon completion of Phase 2, IMSD will be able to produce cost estimates for the remaining phases (Phase 3 and Phase 4) of the EMR project based upon the proposed replacement solutions; and

WHEREAS, because the 2011 appropriation for this project was originally funded with proceeds from the UWM land sale IMSD is recommending that the funding of

$169,440 necessary to complete Phase 2 be funded from the 2011 IMSD operating budget if capital funds are unavailable; and

WHEREAS, IMSD will need to work with the Department of Administrative Services (DAS) as estimates for the remaining phases (Phase 3 and Phase 4) of this project become available to determine financing mechanisms, cash flow, and future appropriations needed to complete this project overall; and

WHEREAS, IMSD would return to the County Board for final approval of the proposed EMR solutions, including related financing considerations, before proceeding with implementation for this project;

now, therefore,

BE IT RESOLVED, the Interim Chief Information Officer of the Department of Administrative Services – Information Management Services Division (IMSD) is authorized to amend the professional services contract with the Joxel Group, LLC (TJG) for program and project management services related to the Electronic Medical Records (EMR) replacement project; and

BE IT FURTHER RESOLVED, the effect of the requested amendment would be to extend the current professional services contract to cover "Phase 2 – Request for Proposal (RFP) Process and Vendor Selection" of the EMR replacement project and to increase the total value of the contract by $169,440 bringing the total value of the contract from $184,700 to $354,140.

FISCAL NOTE: The cost of this action totals $169,440 and all efforts will be made to absorb this cost within the existing 2011 operating budget appropriation for the Information Management Services Division (IMSD – Org Unit 1160) if 2011 capital funds for WO444 Electronic Medical Records (EMR) System are unavailable.

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 3/29/11

Original Fiscal Note ☒

Substitute Fiscal Note ☐

SUBJECT: <u>REQUEST AUTHORIZATION TO AMEND A PROFESSIONAL SERVICES CONTRACT BETWEEN JOXEL GROUP, LLC AND THE INFORMATION MANAGEMENT SERVICES DIVISION (IMSD) FOR PROGRAM AND PROJECT MANAGEMENT SERVICES RELATED TO ELECTRONIC MEDICAL RECORDS (EMR) SYSTEM REPLACEMENT.</u>

FISCAL EFFECT:

☐ No Direct County Fiscal Impact

- ☐ Existing Staff Time Required

☒ Increase Operating Expenditures
(If checked, check one of two boxes below)

- ☒ Absorbed Within Agency's Budget
- ☐ Not Absorbed Within Agency's Budget

☐ Decrease Operating Expenditures

☐ Increase Operating Revenues

☐ Decrease Operating Revenues

☐ Increase Capital Expenditures

☐ Decrease Capital Expenditures

☐ Increase Capital Revenues

☐ Decrease Capital Revenues

☐ Use of contingent funds

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	**Current Year**	**Subsequent Year**
Operating Budget	Expenditure	0	0
	Revenue	0	0
	Net Cost	0	0
Capital Improvement Budget	Expenditure		
	Revenue		
	Net Cost		

DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated. [1] If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

[1] If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

A. Approval of the requested amendment to extend the professional services contract between Joxel Group, LLC and the Information Management Services Division (IMSD) of Milwaukee County will result in an increased cost of $169,440 bringing the value of the current contract from $184,700 to $354,140.

B. The cost related to the proposed contract amendment is an additional $169,440 during the remainder of the current phase, which is the Request for Proposal (RFP) and Vendor Selection phase of the broader project. The 2011 appropriation for this capital project was originally funded with proceeds from the UWM land sale; however, IMSD is recommending that the additional funding of $169,440 necessary to complete the professional services contract for the current phase of the project be funded from the 2011 IMSD operating budget if capital funds are unavailable.

C. The 2011 capital improvements budget included an appropriation for $500,000 for WO444 Electronic Medical Records (EMR) System. The 2011 appropriation for this capital project was originally funded with proceeds from the UWM land sale. IMSD is recommending that the funding of $169,440 necessary to complete the professional services contract for the current phase of the project be funded from the 2011 IMSD operating budget if capital funds are unavailable. The 2011 IMSD operating budget does not currently include a budgeted appropriation for this purpose; however IMSD will make efforts to absorb this cost within its existing 2011 operating budget if capital funds are not available.

D. The expenditures provided above are estimated. It is assumed expenditures will be made from the IMSD operating budget if capital funds budgeted for this purpose are not available. It is assumed that the overall Electronic Medical Records (EMR) project will require future budget appropriation requests to complete.

Department/Prepared By Laurie Panella, Interim Chief Information

Authorized Signature

Did DAS-Fiscal Staff Review? ☒ Yes ☐ No

COUNTY OF MILWAUKEE
DAS – Division of Employee Benefits
INTER-OFFICE COMMUNICATION

DATE : March 30, 2011

TO : Supervisor Johnny L. Thomas, Vice Chair, Committee on Finance & Audit
Supervisor Patricia Jursik, Chair, Committee on Personnel

FROM : Gerald Schroeder, Interim Director – Employee Benefits Division

SUBJECT : **Informational report from the Interim Director, Employee Benefits Division, regarding dependent eligibility audits. No action required.**

In the 2011operating budget, the Department of Audit and the Employee Benefits Division were tasked with developing the process for an audit of dependent benefits eligibility and releasing an RFP to an external administrator to conduct the audit on the County's behalf.

The Department of Audit and the Employee Benefits Division, working in conjunction with the Director of Audits, have discussed the scope and common practices for an eligibility audit, including the option for allowing an amnesty period prior to the audit to allow employees to self-report covered ineligible dependents without fear of disciplinary action. Further, we have confirmed that there are a number of firms with extensive experience in these types of initiatives, including many of the County's existing benefits vendors, who are able to provide reliable expectations for the return on investment. provided an update on the progress of this RFP in the March cycle, indicating that the pending actions by the State would impact the timing of the RFP release, the completion of the audit, and the potential return on this investment. With the uncertain status of the Bill, the Employee Benefits Division and the Department of Audit intend to return to the committee following certitude on when the State law takes effect to present recommendations for the RFP and seek authorization to proceed.

However, despite progress on this item, the pending budget actions at the State level could have a significant impact on the timing of our efforts to conduct this audit and the potential outcome. As such, the Employee Benefits Division and Department of Audit intend to return to the committee in the April cycle to discuss any changes that arise from the State's action and the next steps for issuing an RFP.

GS:hf

Cc: Jerome Heer, Director of Audits
John Ruggini, Acting Fiscal & Budget Administrator
Mark Grady, Corporation Counsel
Rick Ceschin, Senior Research Analyst, County Board
Steve Cady, Fiscal and Budget Analyst, County Board
Carol Mueller, Chief Committee Clerk
Jodi Mapp, Personnel Committee Clerk

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

DATE: April 5, 2011

TO: Supervisor Lee Holloway, Chairman, County Board

FROM: Employee Benefits Work Group

SUBJECT: Implementation of 2010 Wage and Benefit Modifications

Issue

Upon legal adoption of 2011 Wisconsin Act 10, also known as the Budget Repair Bill, the County will be able to apply the wage and benefit concessions included in the 2010 and 2011 Adopted Budgets to members of the American Federation of State, County and Municipal Employees, District Council 48. In addition, the County is required to immediately impose a 6% pension contribution as opposed to the 4% contribution that was intended to be phased in over the course of 2011. The pension contribution will apply to members of DC 48 and non-represented employees upon adoption of the Budget Repair Bill. It will apply to all other employees represented by non-public safety bargaining units effective January 2012. Implementing these changes will allow the County to rescind the remaining furlough days and, depending on when the changes become effective, partially offset reductions included in the state budget in 2011 and 2012. To reiterate, however, none of these changes can be implemented until 2011 Wisconsin Act 10 is effective.

Background

Adopted Wage and Benefit Modifications

The 2010 Budget included savings associated with changes to the healthcare plan and overtime policies. The healthcare changes are presented in Attachment 1.

Overtime changes are all in accordance with the Fair Labor Standards Act (FLSA) and include:

- Overtime pay will begin after 40 hours is worked in a week as opposed to 8 hours being worked in a single day. For example, previously an employee who worked 10 hours in a single day was paid overtime even if they did not work more than 40 hours for that week. With this change, they would not earn overtime for any week in which they worked 40 hours or less regardless of the number of hours worked on any single day of that week.
- Overtime will be based on hours worked, as opposed to hours credited. Previously an employee who utilized 8 hours of vacation and worked 40 hours would receive overtime. With this change, they would not earn overtime for that week.
- FLSA exempt non-salaried employees will earn overtime only as compensatory time-off unless otherwise approved by the Human Resources Director.

The 2010 Budget also reduced the pension multiplier factor used in calculating an employee's pension from 2.0 to 1.6 and increased the retirement age from age 60 to 64. <u>However, as adoption of these two pension-related changes requires an actuarial report and review by the Pension Study Commission, they will be presented in a separate report, in a later cycle</u>. Corresponding pension ordinance changes are not included with this report and the fiscal impact is not included in the fiscal note.

While the 2010 changes were applied to non-represented employees and partially applied to members of five bargaining units with settled contracts (see Table 1), unrealized savings from all of these changes were carried forward into the 2011 Budget.

The 2011 Budget also included additional wage and benefit modifications. These included the continuation of a freeze on pay range step advancements and the phased in implementation of a 4% employee pension contribution. In addition, the Medicare Part B reimbursement was eliminated for non-represented employees who retired after March 31, 2011. Medicare Part B for AFSCME employees is not addressed in this report or in the proposed ordinance changes. Represented staff will continue to receive this benefit.

The 2010 modifications were offset in 2011 by 26 furlough days while the 2011 changes were to be offset by unspecified corrective action. Currently, approximately 1200 employees are taking one furlough day per pay period but no other additional corrective actions have been taken.

Milwaukee County's bargaining units have agreed to some but not all of these proposed changes as shown in table 1. As will be discussed below, 2011 Wisconsin Act 10, once effective, will allow Milwaukee County to make these changes for all non-public safety bargaining units upon the expiration of their current contract.

Table 1 – Status of 2010 and 2011 Wage and Benefit Modifications by Union

	2010 HC Changes	2010 OT Changes	2010 Multiplier and Ret. Age	2011 Step Freeze	Pension Contribution	When impacted by Act 10
Attorneys	Yes	NA	Yes	No	No	2012
Building Trades	Partial	No	No	No	No	2012
DC48	No	No	No	No	No	Upon Adoption
Deputy Sheriffs	No	No	No	No	No	NA
Firefighters	No	No	No	No	No	NA
Machinists	Yes	No	Yes	No	No	2012
Non-rep	Yes	Yes	Yes	Yes	Yes	Upon Adoption
Nurses	Partial	No	No	No	No	2012
TEAMCO	Yes	NA	Yes	No	No	2012

** It is assumed the Budget Repair Bill will become effective during 2011; otherwise the unions with contracts expiring in 2012 would not be impacted until the Repair Bill becomes effective.*

Budget Repair Bill
Wisconsin Act 10, also referred to as the Budget Repair Bill, was passed by the Wisconsin Senate in early March but is currently the subject of a temporary restraining order. If and when this legislation becomes effective, Milwaukee County will have the ability to change the non-base pay compensation and benefits of employees represented by non-public safety bargaining units when their contracts expire. Currently, this only includes the American Federation of State, County and Municipal Employees District Council 48. However, as of January 1, 2012 it will also include employees represented by District No. 10 of the International Association of Machinists and Aerospace Workers; the Technicians, Engineers and Architects of Milwaukee County; the Federation of Nurses and Health Professionals; the Building Trades and Attorneys of Milwaukee County

The Repair Bill also mandated that all Milwaukee County employees contribute half of the actuarially determined pension contribution. This has been calculated in consultation with the County's actuary to be 6.0% for 2011. A few important points regarding this calculation:

- This figure will change each year based on how the retirement system performs as compared to actuarial assumptions. It is likely to increase over the next 2 years as the 2008 market losses continue to be smoothed in over a 5-year period.
- The pension system's normal cost is approximately 8.4% of salary. The required pension contribution is greater than half of the normal cost because prior service cost, or the unfunded liability, must also be considered. Because the Budget Repair bill established fixed rates for the state and the City of Milwaukee and a fluctuating rate for the County, the County's contribution rate will differ from both other systems.
- Going forward, it is likely that this contribution rate will be established as part of the annual budgeting process for the subsequent year based on the actuary's estimated required contribution.
- As is the case with the existing pension contribution, this deduction to salary will be taken pre-tax in order to reduce the impact on employees. It is anticipated that the state-mandated contributions will be handled in the same manner as the existing county adopted contributions. Thus, if an employee leaves the County before vesting, their contributions will be returned at a 5% interest rate.

As a result, the 2% pension contribution that was to have increased to 4% by the end of the year that was adopted as part of the 2011 Budget will immediately be superseded by the state law and will increase to 6% when the law becomes effective. This will immediately apply to non-represented employees, elected officials and to employees represented by DC48. It will apply to all other employees represented by non-public safety bargaining units in January 2012 (assuming adoption during 2011 of the Repair Bill). Depending on when this change becomes effective, savings could exceed those budgeted for the originally contemplated phased-in 4% contribution in 2011. These savings could then be used to help offset state budget reductions in 2011 and 2012. While this change also requires an actuarial report and Pension Study Commission review, the Department of Administrative Services must implement the change as soon as the law becomes effective since it represents state statute. For that reason, the fiscal effect of the change is being considered in this report even though the ordinance changes will likely be considered in a later cycle.

Recommendation

The policies discussed above have been adopted by the County in the 2011 Budget. As dictated by the adopted budget and in order to maximize savings to keep the 2011 Budget balanced and partially offset potential state budget reductions in 2011 and 2012, the Employee Benefits Workgroup recommends implementing the 2010 Healthcare plan design changes, overtime modifications and step freeze for employees represented by District Council 48, to be effective once the Budget Repair Bill becomes law. In addition, as required by Wisconsin Act 10, the Workgroup acknowledges that the County must implement a 6% pension contribution when the Repair Bill becomes legally effective for non-represented employees and employees represented by DC48. The pension contribution shall be applied to all other employees represented by non-public safety bargaining units effective the first pay period January 2012, assuming Wisconsin Act 10 is effective before that date.

The Employee Benefits Work Group will recommend implementing the 1.6 multiplier, age 64 retirement and Medicare Part B changes for employees represented by DC 48 at a later date.

Given the amount of confusion surrounding this issue, it is important to note the following:

- These recommendations represent policies adopted in the 2010 and 2011 Adopted Budget.
- Approving the ordinance changes included in this report will only immediately affect DC48 represented employees once Wisconsin Act 10 is effective. Non-represented staff and DC48 employees will also be subject to a 6% pension contribution as required by state statute.
- Changes in the pension multiplier and retirement age are not included in these ordinance changes but will likely be brought forth in the near future after an actuarial report and Pension Study Commission review is completed.
- Medicare Part B premium reimbursements for represented employees are NOT affected by any of the attached changes. All represented staff regardless of their retirement date will continue to receive this benefit.
- Eligibility for county-paid (i.e., premium free) retiree healthcare is NOT affected. Employees eligible for retiree health care will continue to receive this benefit based on the non-represented employee plan design regardless of their retirement date.
- Eligibility for a pension and back-drop is NOT affected. Employees will continue to earn pension service credit and preserve their back-drop if they currently are eligible for one.
- Eligibility and the calculation of accrued sick-time payouts is NOT affected.
- Additional information on the impacts of the Budget Repair Bill are available in a "Frequently Asked Questions" document that is available on the County's intranet. In addition, questions can be emailed to ***RepairBill_QandA@milwcnty.com***.

Furthermore, as depicted in the fiscal note, since the savings from these actions will completely offset the expected savings from furlough days, the Employee Benefits Work Group, recommends that furlough days be eliminated once the Repair Bill becomes effective and these changes can be implemented. The elimination of furlough days is subject to any action by the new County Executive. It is important to the also note the following:

- It is anticipated that furlough days for all employees will only be rescinded when the Repair Bill becomes legally effective. Until that time, affected employees MUST continue to take furlough days.

- When a cut-off date for furlough days is decided upon, an expected pro rata furlough total will be determined. Employees, who have not met that minimum amount, will continue to have a furlough balance that they are expected to fulfill. For example, if the Repair Bill becomes effective mid-year, furlough balances will be reduced to 13 days. If an employee has only taken 10 furlough days, they will still be expected to take 3 additional days. More information on this procedure will be provided.

Assuming a mid-year implementation in 2011, these actions will result in savings of $2,096,247. It is estimated these actions will result in $10,514,928 of savings in 2012. Of this 2012 amount, $3.9 million is not already budgeted. These figures do not include revenue offsets so the actual levy impact will be less.

Cc: Marvin Pratt, County Executive
E. Marie Broussard, Deputy Chief of Staff, County Executive
Terry Cooley, Chief of Staff, County Board
Carol Mueller, County Board Clerk
Jody Mapp, County Board Clerk
Employee Benefit Work Group members

Attachment 1

Summary of Plan Changes Required by the 2011 Adopted Budget

Actively Employed Members of AFSCME DC 48

Medical Plan Changes:

	HMO Comparable	**PPO Comparable**
Deductible	None *(no change)*	Network: $250 per person to a family maximum of $750 Out-of-Network: $500 per person to a family maximum of $1,500 *(increase of $100 per person)*
Outpatient Services	100% of eligible expenses after any copays and deductibles *(no change)*	Network: 90% of eligible expenses after any copays and deductibles Out-of-Network: 70% of eligible expenses after any copays and deductibles *(Out-of-network previously covered at 80%)*
Inpatient Services	100% of eligible expenses after any copays and deductibles *(no change)*	Network: 90% of eligible expenses after any copays and deductibles Out-of-Network: 70% of eligible expenses after any copays and deductibles *(Out-of-network previously covered at 80%)*
Emergency Room	$100 Copay *(increase of $50 per visit)*	$100 Copay *(increase of $50 per visit)*

Out-of-Pocket Maximums	Not Applicable *(no change)*	Network: $2,000 per person to a family maximum of $3,500 Out-of-Network: $4,000 per person to a family maximum of $6,000 *(increase of $500 per person)*
Mental Health /Substance Abuse – Outpatient Services	$10 Copay *(coverage levels required by the Mental Health Parity Act now apply)*	Network: $20 Copay Out-of-Network: $40 Copay *(coverage levels required by the Mental Health Parity Act now apply)*
Mental Health / Substance Abuse – Inpatient Services	100% *(applies Mental Health Parity Act)*	Network: 90% Out-of-Network: 70% *(applies Mental Health Parity Act)*

Note: The tables above are intended as a summary of changes only. For specific coverage terms, provisions, conditions, limitations, or exclusions please refer to your summary plan description.

File No.

(Journal,)

A RESOLUTION

To implement provisions of the 2010 and 2011 Adopted Budgets, Org. Unit 1972 – Wage and Benefit Modifications, for non-public safety collective bargaining units, and to propose a pro rata reduction in furlough days for active employees represented by AFSCME District Council 48, all of which are contingent upon the legal effective date of 2011 Wisconsin Act 10.

WHEREAS, the 2010 Adopted Budget for Org. Unit 1972 – Wage and Benefit Modifications, included wage, health and pension modifications for all employees, including:

1. An increase in the normal retirement age for new members of the Employee Retirement System (ERS) from age 60 to age 64,

2. A reduction in the annual pension service credit multiplier for members of the ERS for all future years from 2.0% to 1.6%,

3. The elimination of incremental wage and salary advancements for calendar year 2010,

4. Increases in employee premium contributions and certain co-pay and deductible amounts under the Milwaukee County Group Health Benefit Plan, and

5. Changes to overtime compensation in accordance with the Fair Labor Standards Act

;and

WHEREAS, these modifications were implemented in 2010 for non-represented employees (File No. 09-471) and are contained in collective bargaining agreements with some of the unions representing non-public safety county employees; and

WHEREAS, employees represented by AFSCME District Council 48 have been working under a status quo continuation of the collective bargaining agreement with Milwaukee County that expired December 31, 2008; and

WHEREAS, the Milwaukee County 2011 Adopted Budget imposed up to 26 furlough days for employees represented by AFSCME DC48 in the absence of a new collective bargaining agreement containing the modifications set forth above or equivalent fiscal savings; and

WHEREAS, 2011 Wisconsin Act 10, known as the Budget Repair Bill, contains provisions that prohibit collective bargaining over non-base wage and benefit items for non-public safety employees and that implement a mandatory pension contribution; and

WHEREAS, upon the effective date of 2011 Wisconsin Act 10, the County will have the authority to immediately implement the modifications listed above from the 2010 Adopted Budget for Org. Unit 1972 for AFSCME DC 48 employees and will be required by that law to immediately begin collection of pension contributions from nonrepresented employees, elected officials and AFSCME DC 48 employees; and

WHEREAS, with the implementation of these changes and the mandatory pension contributions, Milwaukee County will realize previously budgeted wage and benefit savings, permitting the elimination of a portion of the 26 furlough days imposed on members of AFSCME DC 48; and

WHEREAS, because the increase in the normal retirement age for new members of the ERS and the reduction in the annual pension service credit multiplier from 2.0% to 1.6% for members of AFSCME DC48 will require an actuarial review prior to implementation, and such review has been requested but not yet completed, those provisions of the 2010 wage and benefit modifications are not recommended at this time; and

WHEREAS, upon the effective date of 2011 Wisconsin Act 10 or the expiration of other non-public safety collective bargaining agreements on December 31, 2011, whichever is later, the County will be authorized to implement the wage and benefit modifications outlined herein, along with those contained in the 2011 Adopted Budget, as well as other subsequent policy directives adopted by action of the County Board and County Executive; now, therefore,

BE IT RESOLVED, that the Milwaukee County Board of Supervisors hereby authorizes and directs the Department of Administrative Services to implement, as soon as permitted by law, the following wage and benefit policies for active employed members of AFSCME District Council 48:

1. The Milwaukee County 2010 Group Health Benefit Plan

2. The elimination of incremental wage and salary advancements for one year and one day

3. Changes to overtime compensation in accordance with the Fair Labor Standards Act;

BE IT FURTHER RESOLVED, that the 2011 Adopted Budget policy of imposing 26 furlough days on members of AFSCME District Council 48 shall be modified on a pro rata basis to coincide with the implementation date of wage and benefit modifications contained herein, once permitted on the effective date of 2011 Wisconsin Act 10; and

BE IT FURTHER RESOLVED, to codify these changes, the Milwaukee County Board of Supervisors hereby amends Sections 17.10, 17.14, and 17.16 of the Milwaukee County Code of General Ordinances by adopting the following:

AN ORDINANCE

The County Board of Supervisors of the County of Milwaukee does ordain as follows:

SECTION 1. Section 17.10 of the General Ordinances of Milwaukee County is amended as follows:

17.10. Advancement within a pay range.

The incumbent of a position shall be advanced to the next highest rate of pay in the pay range provided for the classification only upon meritorious completion of two thousand eighty (2,080) straight time hours paid. Deviation from this requirement is permissible under the following conditions:

(1) A department head may permit an employe to be advanced one (1) additional step in the range if advancement to the next highest rate above the rate originally received results in a pay increase of less than twenty-one cents ($0.21) per hour.

(2) The director of human resources may approve the request of any department head to advance a promoted employe or incumbent of a reclassified position one (1) additional step in the range if the employe would have advanced in the classification from which they were promoted to the same rate of pay within ninety (90) days of the promotion. The decision of the director may be appealed to the committee on personnel within thirty (30) days of notice. The decision of the county board on the committee recommendation, subject to review by the county executive, shall be final.

(3) Department heads:

(a) Who have adopted the annual performance appraisal system revised in 1986 and approved by the director of human resources may advance an employe who has exhibited exemplary performance up to two (2) steps in the pay range providing the director has verified that the performance evaluation system has been implemented in the appropriate manner. Such advancements shall be implemented in accordance with subsection (4) of this section.

(b) May request an advancement in the pay range for an employe who holds a position which is critical to the operation of their department if the request is necessary to retain the employe in county service. The request may be implemented upon approval of the director, in accordance with subsection (4) of this section.

(c) In subsections (a) and (b) above the decision of the director of human resources may be appealed to the committee on personnel within thirty (30) days of notice. The decision of the county board on the committee's recommendation, subject to review by the county executive, shall be final and shall be implemented the first day of the first pay period following review by the county executive, or in the event of a veto, final county board action.

(4) Monthly while any advancements within a pay range requested by departments, pursuant to subsections (3)(a) and (3)(b) are pending, the director of human resources shall provide a report to the committee on personnel which lists all such advancements which the director intends to approve, along with a fiscal note for each. This report shall be distributed to all county supervisors and placed on the committee agenda for informational purposes. If a county supervisor objects to the decision of the director within seven (7) working days of receiving this report the advancement shall be held in abeyance until resolved by the county board, upon recommendation of the committee, and subsequent county executive action. If no county supervisor objects, the advancement shall be implemented the first day of the first pay period following the meeting of the committee. In the event the county board takes no action on an advancement, after receipt of a recommendation from the committee, the advancement shall be implemented the first day of the first pay period following action by the county executive or, in the event of a veto, final county board action.

(5) From January 1, 2010 through December 31, 2011, notwithstanding any other provisions of this code, incumbents of a position not represented by a collective bargaining unit who would have received an advance in the pay range upon the meritorious completion of two thousand eighty (2,080) hours, shall be advanced to the next highest rate of pay in the pay range provided for the classification only upon meritorious completion of an additional four thousand one hundred and sixty (4,160) straight-time hours for full-time positions, and a prorated fraction thereof for employees whose scheduled work week is less than forty (40) hours or who began employment after January 1, 2010. The intent of this section is to temporarily suspend incremental salary advancements for nonrepresented employees for 2010 and 2011, consistent with the terms of the 2010 and 2011 Adopted Budget.

(6) From the effective date of 2011 Wisconsin Act 10 until one year and one day thereafter, notwithstanding any other provisions of this code, incumbents of a position represented by the American Federation of State, County and Municipal Employees District Council 48 who would have received an advance in the pay range upon the meritorious completion of two thousand eighty (2,080) hours, shall be advanced to the next highest rate of pay in the pay range provided for the classification only upon meritorious completion of an additional two thousand and eighty (2080) straight-time hours for full-time positions, and a prorated fraction thereof for employees whose scheduled work week is less than forty (40) hours or who began employment after the legal effective date of 2011 Wisconsin Act 10. The intent of this section is to temporarily suspend incremental salary advancements for employees represented by District Council 48 for one year consistent with the terms of the 2011 Adopted Budget.

SECTION 2. Section 17.14 (8) of the General Ordinances of Milwaukee County is created as follows:

17.14. Employment definitions.

(8) Milwaukee County Group Health Benefit Program for actively employed members represented by AFSCME District Council 48. Changes to Section 17.14(8) shall become effective as soon as administratively possible following the legal adoption of 2011 Wisconsin Act 10.

(a) Health and dental benefits shall be provided for in accordance with the terms and conditions of the current plan document and the group administrative agreement for the Milwaukee County Health Insurance Plan or under the terms and conditions of the insurance contracts of a Managed Care Organization (HMO) approved by the county.

(b) All health care provided shall be subject to utilization review.

(c) Eligible employes may choose health benefits for themselves and their dependents under a preferred provider organization (county health plan or PPO) or HMO approved by the county.

(d) Eligible employees enrolled in the PPO or HMO shall pay a monthly amount toward the monthly cost of health insurance as described below:

(1) Employees enrolled in the HMO comparable plan shall pay fifty dollars ($50.00) per month toward the monthly cost of a single plan and one hundred dollars ($100.00) per month toward the monthly cost of a family plan.

(2) Employees enrolled in the PPO comparable plan shall pay ninety dollars ($90.00) per month toward the monthly cost of a single plan and one hundred eighty dollars ($180.00) per month toward the monthly cost of a family plan.

(3) The appropriate payment shall be made through payroll deductions. When there are not enough net earnings to cover such a required contribution, and the employee remains eligible to participate in a health care plan, the employee must make the payment due within ten (10) working days of the pay date such a contribution would have been deducted. Failure to make such a payment will cause the insurance coverage to be canceled effective the first of the month for which the premium has not been paid.

(4) The county shall deduct employees' contributions to health insurance on a pre-tax basis pursuant to a section 125 plan.

(5) The county shall establish and administer flexible spending accounts (FSAs) for those employees who desire to pre-fund their health insurance costs as governed by IRS regulations. The county retains the right to select a third party administrator.

(e) In the event an employe who has exhausted accumulated sick leave is placed on leave of absence without pay status on account of illness, the county shall continue to pay the monthly cost or premium for the PPO or HMO chosen by the employe and in force at the time leave of absence without pay status is requested, if any, less the employe contribution during such leave for a period not to exceed one (1) year. The one-year period of limitation shall begin to run on the first day of the month following that during which the leave of absence begins. An employe must return to work for a period of sixty (60) calendar days with no absences for illness related to the original illness in order for a new one-year limitation period to commence.

(f) Where both husband and wife are employed by the county, either the husband or the wife shall be entitled to one (1) family plan. Further, if the husband elects to be the named insured, the wife shall be a dependent under the husband's plan, or if the wife elects to be the named insured, the husband shall be a dependent under the wife's plan. Should neither party make an election the county reserves the right to enroll the less senior employe in the plan of the more senior employe. Should one (1) spouse retire with health insurance coverage at no cost to the retiree, the employed spouse shall continue as a dependent on the retiree's policy, which shall be the dominant policy.

(g) Coverage of enrolled employes shall be in accordance with the monthly enrollment cycle administered by the county.

(h) Eligible employes may continue to apply to change their health plan to one (1) of the options available to employes on an annual basis. This open enrollment shall be held at a date to be determined by the county and announced at least forty-five (45) days in advance.

(i) The county shall have the right to require employes to sign an authorization enabling non-county employes to audit medical and dental records. Information obtained as a result of such audits shall not be released to the county with employe names unless necessary for billing, collection, or payment of claims.

(j) Amendments to the Public Health Service Act applies federal government (COBRA) provisions regarding the continuation of health insurance to municipal health plans. Milwaukee County, in complying with these provisions, shall collect the full premium from the insured, as allowed by law, in order to provide the continued benefits.

(k) The county reserves the right to establish a network of providers. The network shall consist of hospitals, physicians, and other health care providers selected by the county. The county reserves the right to add, modify or delete any and all providers under the network.

(n) All eligible employes enrolled in the PPO shall have a deductible equal to the following:

(1) The in-network deductible shall be two hundred fifty dollars ($250.00) per insured, per calendar year; seven hundred fifty dollars ($750.00) per family, per calendar year.

(2) The out-of-network deductible shall be five hundred dollars ($500.00) per insured, per calendar year; one thousand five hundred dollars ($1,500.00) per family, per calendar year.

(o) All eligible employes and/or their dependents enrolled in the PPO shall be subject to a twenty-dollar ($20.00) in-network office visit co-payment or a forty-dollar ($40.00) out-of-network office visit for all illness or injury related office visits. The in-network office visit co-payment shall not apply to preventative care which includes prenatal, baby-wellness, and physicals, as determined by the plan

(p) All eligible employes and/or their dependents enrolled in the PPO shall be subject to a co-insurance co-payment after application of the deductible and/or office visit co-payment.

(1) The in-network co-insurance co-payment shall be equal to ten (10) percent of all charges subject to the applicable out-of-pocket maximum.

(2) The out-of-network co-insurance co-payment shall be equal to thirty (30) percent of all charges subject to the applicable out-of-pocket maximum.

(q) All eligible employes enrolled in the PPO shall be subject to the following out-of-pocket expenses including any applicable deductible and percent co-payments to a calendar year maximum of:

(1) Two thousand dollars ($2,000.00) in-network under a single plan.

(2) Three thousand five hundred dollars ($3,500.00) in-network under a family plan.

(3) Three thousand five hundred dollars ($3,500.00) out-of-network under a single plan.

(4) Six thousand dollars ($6,000.00) out-of-network under a family plan.

(5) Office visit co-payments are not limited and do not count toward the calendar year out-of-pocket maximum(s).

(6) Charges that are over usual and customary do not count toward the calendar year out-of-pocket maximum(s).

(7) Prescription drug co-payments do not count toward the calendar year out-of-pocket maximum(s).

(8) Other medical benefits not described in (q)(5), (6), and (7) shall be paid by the health plan at one hundred (100) percent after the calendar year out-of-pocket maximum(s) has been satisfied.

(r) All eligible employes and/or their dependents enrolled in the PPO shall pay a one hundred dollar ($100.00) emergency room co-payment in-network or out-of-network. The co-payment shall be waived if the employe and/or their dependents are admitted directly to the hospital from the emergency room. In-network and out-of-network deductibles and co-insurance percentages apply.

(s) All eligible employes and/or their dependents enrolled in the PPO or HMO shall pay the following for a thirty (30) day prescription drug supply at a participating pharmacy:

(1) Five dollar ($5.00) co-payment for all generic drugs.

(2) Twenty dollar ($20.00) co-payment for all brand name drugs on the formulary list.

(3) Forty dollar ($40.00) co-payment for all non-formulary brand name drugs.

(4) Non-legend drugs may be covered at the five dollar ($5.00) generic co-payment level at the discretion of the plan.

(5) The plan shall determine all management protocols.

(t) All eligible employes and/or their dependents enrolled in the HMO shall be subject to a ten-dollar ($10.00) office visit co-payment for all illness or injury related office visits. The office visit co-payment shall not apply to preventative care. The county and/or the plan shall determine preventative care.

(u) All eligible employes and/or their dependents enrolled in the HMO shall pay a one-hundred-dollar ($100.00) co-payment for each in-patient hospitalization. There is a maximum of five (5) co-payments per person, per calendar year.

(v) All eligible employes and/or their dependents enrolled in the HMO shall pay fifty (50) percent co-insurance on all durable medical equipment to a maximum of fifty dollars ($50.00) per appliance or piece of equipment.

(w) All eligible employes and/or their dependents enrolled in the HMO shall pay a one hundred dollar ($100.00) emergency room co-payment (facility only). The co-payment shall be waived if the employe and/or their dependents are admitted to the hospital directly from the emergency room.

(x) The health plan benefits for all eligible employes and/or their dependents for the in-patient and out-patient treatment of mental and nervous disorders, alcohol and other drug abuse (AODA)will be consistent with the mandates of the Federal mental health parity act.

(y) Each calendar year, the county shall pay a cash incentive of five hundred dollars ($500.00) per contract (single or family plan) to each eligible employe who elects to dis-enroll or not to enroll in a PPO or HMO. Any employe who is hired on and after January 1, and who would be eligible to enroll in health insurance under the present county guidelines who chooses not to enroll in a county health plan shall also receive five hundred dollars ($500.00). Proof of coverage in a non-Milwaukee County group health insurance plan must be provided in order to qualify for the five hundred dollars ($500.00) payment. Such proof shall consist of a current health enrollment card.

(1) The five hundred dollars ($500.00) shall be paid on an after tax basis. When administratively possible, the county may convert the five hundred dollars

($500.00) payment to a pre-tax credit which the employe may use as a credit towards any employe benefit available within a flexible benefits plan.

(2) The five hundred dollars ($500.00) payment shall be paid on an annual basis by payroll check no later than April 1 of any given year to qualified employes on the county payroll as of January 1. An employe who loses his/her non-county health insurance coverage may elect to re-join the county health plan. The employe would not be able to re-join an HMO until the next open enrollment period. The five hundred dollars ($500.00) payment must be repaid in full to the county prior to coverage commencing. Should an employe re-join a health plan he/she would not be eligible to opt out of the plan in a subsequent calendar year.

(z) The provisions of C.G.O. 17.14(8) shall not apply to seasonal and hourly employes. An hourly employe shall be considered to be one who does not work a uniform period of time within each pay period and shall include an employe who works a uniform period of time of less than twenty (20) hours per week.

(aa) The provisions of 17.14(8) shall apply to employes on an unpaid leave of absence covered by workers compensation.

SECTION 3. Section 17.14 (9) of the General Ordinances of Milwaukee County is amended as follows:

(9) *County dental benefit plan and dental maintenance organizations.* Employes who are eligible for group hospital and medical benefits under the provision of subsection (7) or subsection (8) of this section shall also be entitled to dental benefits upon application in accordance with enrollment procedures established by the county, except that retired members of the county retirement system shall not be eligible for dental benefit coverage. Eligible employes may enroll in the county dental benefit plan (fee for service) or a dental maintenance organization approved by the county.

SECTION 4. Section 17.16 of the General Ordinances of Milwaukee County is amended as follows:

17.16. Overtime compensation.

This section shall be applied in the following manner, and consistent with collective bargaining agreements and state and federal regulations:

(1) Employes may be assigned to overtime work provided that such overtime shall be limited to emergency conditions which endanger the public health, welfare or safety; or for services required for the protection or preservation of public property; or to perform the essential functions of a department which cannot be performed with the personnel available during normal work hours, either because of vacancies in authorized positions or because of an abnormal peak load in the activities of the

department; or for other purposes which specific provision for overtime compensation has been made by the county board. Employes required to work overtime shall be compensated as follows:

a) Employes represented by a collective bargaining unit shall be compensated for overtime in accordance with provisions of the Fair Labor Standards Act and the respective collective bargaining agreement.
b) Employees who are not represented by a collective bargaining unit shall be compensated for overtime as follows: employees holding positions which are non-exempt from the Fair Labor Standards Act shall receive time and one-half for all hours worked over forty (40) hours per week regardless of the pay range to which the position held is assigned. Employees holding a position exempt from the Fair Labor Standards Act who are not in an executive classification shall be compensated for overtime for all hours worked in excess of forty (40) hours in a week on a straight time basis and may only liquidate accrued overtime as compensatory time off unless approved by the DAS director of human resources who shall also provide the personnel committee with quarterly reports of all overtime that is paid rather than used as compensatory time off.
c) Employes holding positions authorized on a seasonal basis shall receive time and one-half for all hours worked in excess of forty (40) hours per week.
d) Unless a collective bargaining agreement deems otherwise, an appointing authority may approve payment, or the accrual of compensatory time, for overtime. However, no employe may accrue more than two hundred forty (240) hours of compensatory time, unless permitted by the provisions of the Fair Labor Standards Act.
e) Employes holding positions which are covered by the annual work year who are eligible for time and one-half overtime shall receive payment for the half time portion of the overtime and shall accrue the straight time portion of the overtime as compensatory time, up to a maximum of two hundred forty (240) hours of compensatory time, after which all overtime shall be paid.
f) Elected officials, members of boards and commissions, and employes compensated on a per diem, per call or per session basis shall not be compensated for overtime.
g) Employes included in the executive compensation plan are to be considered salaried employes and therefore are not eligible for accrual of compensatory time or payment of overtime. Executive level employes shall be expected to work sufficient hours to perform their assigned duties effectively.
h) Unless overtime is required in accordance with the provisions of the Fair Labor Standards Act, employes shall not receive overtime for hours worked, or credited, in excess of eight (8) hours per day or forty (40) hours per week, if such overtime is due to holding dual employment status.

(2) Under the conditions specified for emergency overtime, employees may be permitted to work on holidays or during vacation periods without compensatory time and receive double time for each day so worked provided that only the hours actually worked on each of these days shall be considered in any computation of overtime for the biweekly period in which they occurred; except that

a) Physicians and psychiatrists employed in the classified service shall receive time and-one-half for each holiday so worked, if such compensation is so authorized by the provisions of section 17.36.

(3) No payment shall be made for overtime unless funds have been provided for such payment in the appropriation for personal services or unless a surplus exists in such appropriation, by reason of vacancies and turnover in authorized positions.

(4) The director of human resources may review the time records submitted by the departments for the purpose of determining the extent to which overtime is being worked and compensation time allowed; and may require the heads of departments to submit reports, supplementary information or other data relative to the need for overtime work; may investigate the cause and justification for such overtime; and may prescribe such rules or regulations as in his/her opinion are necessary to control and restrict overtime to emergency conditions. The director is further empowered to recommend changes in procedure or administrative practices which in his/her opinion will eliminate the need for overtime work, and to report to the appropriate committee of the county board instances in which the department head refuses to comply with the recommendations.

(5) Section 17.16(1)-(4) shall also apply to:

a) Employees represented by bargaining unit American Federation of State, County and Municipal Employees District Council 48 upon the legal effective date of 2011 Wisconsin Act 10.

b) Employees represented by District No. 10 of the International Association of Machinists and Aerospace Workers; the Technicians, Engineers and Architects of Milwaukee County; the Federation of Nurses and Health Professionals; the Building Trades of Milwaukee County and the Association of Milwaukee County Attorneys upon the legal effective date of the 2011 Wisconsin Act 10 or January 1, 2012, whichever is later.

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 3/30/11

Original Fiscal Note ☒

Substitute Fiscal Note ☐

SUBJECT: Impact of Implementing Benefit Changes and Rescinding Furloughs

FISCAL EFFECT:

☐ No Direct County Fiscal Impact

☐ Existing Staff Time Required

☐ Increase Operating Expenditures (If checked, check one of two boxes below)

☐ Absorbed Within Agency's Budget

☐ Not Absorbed Within Agency's Budget

☒ Decrease Operating Expenditures

☐ Increase Operating Revenues

☐ Decrease Operating Revenues

☐ Increase Capital Expenditures

☐ Decrease Capital Expenditures

☐ Increase Capital Revenues

☐ Decrease Capital Revenues

☐ Use of contingent funds

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	-2,096,247	-10,514,928
	Revenue		
	Net Cost	-2,096,247	-10,514,928
Capital Improvement Budget	Expenditure		
	Revenue		
	Net Cost		

DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated.[1] If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

A. Adoption of the attached resolution and ordinances would apply :
   1. the 2010 healthcare plan design changes (Org 1972) to employees represented by DC48 in 2011 and 2012.
   2. Overtime changes included in the 2011 Budget (org. 1972) are applied employees represented by DC48 in 2011 and 2012.
   3. A step freeze (Org. 1972) for one year to employees represented by DC48
   4. A 6% pension contribution (inclusive of the phased-in 4% contribution already included in the 2011 budget, Org. 1972) to employees represented by DC48 and non-represented staff in 2011 and 2012. No salary increase is assumed for represented staff.
   5. The elimination of all furlough days in 2011.

B. The table below shows the fiscal impact of each item, assuming a mid-year 2011 implementation and a full-year of savings in 2012.

[1] If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

Changes	half 2011	2012
2010 Health Care Plan Changes	$ (587,650)	$ (1,175,300)
OT Changes	$ (583,310)	$ (1,166,620)
Step Freeze	$ (770,153)	$ (770,153)
Rep Pension Contribution (budgeted)	$ (1,344,479)	$ (4,302,334)
Rep Salary Increase		
Rep 48 Pension Contribution (unbudgeted)	$ (1,882,271)	$ (2,151,167)
NR Unbudgeted pension contribution	$ (830,684)	$ (949,354)
Furlough Elimination	$ 3,902,301	
subtotal	$ (2,096,247)	$ (10,514,928)

C. Of the savings depicted above, $2,096,247 in 2011 and $3,870,673 in 2012 is not budgeted providing the County with additional funds to offset state budget reductions.

D. The following assumptions were made:

1. It is assumed the Budget Repair Bill becomes legally effective mid-year in 2011 so that the 2011 savings represent half of the estimated total.
2. The non-represented salary increase is not represented in this table because the savings associated with the budgeted 4% pension contribution are not included either since the pension contribution is already in effect. No salary increase is assumed for represented staff as this would require separate legislative action.
3. The budgeted represented pension contribution is equivalent to 2.5% of salary in 2011 and 4.0% of salary in 2012.
4. The unbudgeted represented and non-represented pension contribution is equivalent to 3.5% of salary in 2011 and 2% in 2012.
5. All pension contribution figures are calculated using salary data by bargaining unit provided by the Controller's Office
6. As the step freeze for DC48 is assumed to be implemented mid-year in 2011 and will be in place for 366 days, half of the savings will be realized in 2011 and half in 2012.
7. No inflationary factors have been included for 2012
8. No revenue offsets have been calculated. While revenue reductions typically represents 22% of total expenditure reductions, due to the differing participation by union, this amount will fluctuate and has not been calculated.

Department/Prepared By John Ruggini

Authorized Signature

Did DAS-Fiscal Staff Review? ☒ Yes ☐ No

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

DATE: April 5, 2011

TO: Supervisor Lee Holloway, Chairman, County Board

FROM: Roy de la Rosa, Director, Intergovernmental Relations
Cynthia Pahl, Interim Assistant Fiscal and Budget Administrator

SUBJECT: IMPACT OF THE STATE BUDGET

Issue
The 2011-13 Governor's Budget Recommendations (SB27/AB 40) includes significant reductions in state aid provided to Milwaukee County in both 2011 and 2012. However, Wisconsin Act 10, also known as the Budget Repair Bill, would provide the County the ability to modify non-base wage and benefits for employees represented by non-public safety unions once their existing contracts expire. The unique challenge facing Milwaukee County is that a large portion of these savings have already been budgeted in 2010 and 2011 leaving it limited ability to offset these reductions.

Background
State Budget
While the Department of Administrative Services, Intergovernmental Relations, County Board staff and departmental staff continue to analyze the impact of the state budget a ***preliminary*** analysis shows that reductions in state funding for 2011 will total $2.7 million. Most of the reductions will take place in 2012 and are expected to exceed $25.7 million. A list of these reductions is included in Attachment 1 and described in more detail in departmental reports. It is important to note several important considerations when considering these totals:

- This information is based on the best information to date. However, there continues to be unanswered questions and additional information being provided. Policy makers will be updated as staff receives additional information.
- The totals above assume that the County back-fills the state reductions with tax-levy. To the extent the County decides to eliminate the service, the fiscal impact will be reduced but there will be a reduction in service. This is particularly true at the Behavioral Health Division (BHD) where reductions are in revenues used to purchase services for BHD clients.
- The impact of the $500 million in savings that are intended to result by making changes to Medical Assistance and related programs is not included in the above totals. As these changes are being implemented by the Department of Human Services (DHS) through expanded powers granted in Wisconsin Act 10, there is limited information on how these changes will impact the County. The Behavioral Health Division, Disabilities Division, Department of Aging and Department of Family Care all rely on Medical Assistance and could be impacted by these changes.
- The Department of Health Services will centralize administration of Income Maintenance and transfer the administration of these programs from counties to DHS. As part of this centralization, the Milwaukee County Enrollment Services Unit which was created in 2009 as part of Act 28 will be eliminated. Although there remain many questions, it is assumed that in 2012, the County's levy contribution of approximately $3.0 million will be transferred to the state through a reduction in

Basic Community Aids. Not included in the estimates above are any fixed costs that are currently reimbursed by the state such as building space, legacy costs and other overhead. Once this program is taken over by the state, these costs will no longer be reimbursed and likely have to be spread across other County departments. At this time the total impact is unknown and depends on how the State implements this change.

There are important changes not included in the above totals because there is no immediate budgetary impact. They are nevertheless important:

- Property tax increases are limited to the rate of new construction growth. In 2010, the new construction rate was less than 1.0%. In addition, any decrease in debt service on general obligation debt issued prior to 2005 must result in a corresponding decrease in the property tax levy. Based on this formula, DAS-Fiscal estimates that the County's 2012 property tax increase would be limited to less than $2.0 million. In addition, debt service is expected to decline beginning in 2014. This decline is the result of strict debt management policies adopted by the County and had been a key component in closing the County's structural deficit. However, under the current proposal, these decreases must be used to provide property tax relief.
- In order to reduce General Purpose Revenue by $116 million, the State has capped Family Care enrollment from June 20, 2011 until June 30, 2013. This will have the effect of creating a waiting list for eligible seniors and preventing the County from eliminating the waiting list for individuals 18-59 years old with disabilities.
- The Ethan Allen correctional facility for juveniles in Waukesha County will be closed and juveniles will be transferred to the Lincoln Hills School in Irma, WI considerably increasing the distance Milwaukee County families must travel to visit and support incarcerated juveniles.
- Milwaukee County had contributed $6.8 million annually to the State of Wisconsin as part of the General Assistance Medical Program (GAMP). The State had required this contribution continue when GAMP was transitioned to Badgercare. However, the Milwaukee County 2011 Adopted Budget did not include $6.8 million in funding for the Badgercare program. This funding requirement would be eliminated for 2011 with the adoption of the financial provisions relating to the budget adjustment bill and also was not included in the Governor's 2011-2013 biennial budget. Had the Repair Bill and the State Budget not included this change, the County would have had an additional $6.8 million deficit in BHD for 2011 and 2012.

Budget Repair Bill

The Governor utilized the Budget Repair Bill to provide local governments with increased flexibility as it relates to employee non-base wages and benefits in order to offset the reductions included in the Governor's budget. The County's 2011 Adopted Budget includes over $19.4 million in non-base wage and benefit modifications. This does not include savings from concessions included in the 2010 budget that have already been achieved through negotiation or applied to non-represented staff. It is estimated that if the Budget Repair Bill becomes effective in 2011, $16.3 million of this total will be saved on an annual basis (the difference being the amounts attributable to the Deputy Sheriffs and Firefighters unions which still must be negotiated).

In addition, the Budget Repair Bill mandated a 6% pension contribution. As the County had only budgeted a 4% contribution, there will be additional unbudgeted savings of $3.7 million. While this is not adopted policy, the County could also choose to apply the 2011 Health Care Plan design changes to all employees represented by non-public safety bargaining units. Currently this plan only applies to non-represented staff and retirees. This would result in an additional $3.7 million.

As shown in Table 1, if the County could apply the budgeted and unbudgeted savings associated with the non-base wage and benefit changes included in the 2011 Budget and contained in the Budget Repair Bill, it could largely offset the reductions included in the Governor's budget. Under this scenario, the County would only face a $2.1 million shortfall in 2012. In fact, had the Repair Bill allowed these changes be applied to employees represented by public safety bargaining units as well, it could have completely offset the reductions. However, since $16.3 million of these savings were used to balance the 2010 and 2011 budgets, they are unavailable to offset the state reductions and the County will instead face an $18.4 million reduction in 2012.

Table 1[1]

		2012
Total Reductions in State Aid	$	(25,711,878)
Non-base Wage and Benefit Reductions Achievable through Repair Bill	$	23,644,747
subtotal	$	(2,067,130)
Non-base Wage and Benefit Reductions Achievable through Repair Bill but already included in County's Budget	$	16,286,497
TOTAL 2012 Surplus/(Deficit)	$	(18,353,627)

While the County could choose to further reduce employee benefits to make up the difference, it is important to note the impact of the reductions so far on employee compensation. In 2010, non-represented staff contributed 16.3% of the total cost of their health insurance benefit when taking into account premium contributions, co-pays, co-insurance and deductibles. This represents 3.4% of salary.

Once the Budget Repair Bill becomes legally effective, non-represented staff will contribute 6% of salary towards the cost of their pension (this represents 71% of the 2010 normal pension cost). In effect, non-represented staff will then contribute a total of 9.4% of their salary on average towards their health and pension benefits. Once the Budget Repair Bill becomes legally effective, it is expected all County employees, except for those represented by public-safety bargaining units, will contribute similar amounts.

Recommendation

This is an informational report only.

Cc: Marvin Pratt, County Executive
Terry Cooley, Chief of Staff, County Board
E. Marie Broussard, Deputy Chief of Staff, County Executive's Office
Steve Cady, Fiscal Analyst, County Board
Jerry Heer, County Auditor

[1] Budgeted non-base wage and benefit reductions include all 1972 concessions and healthcare plan design changes included in the 2011 Adopted Budget. Savings associated with the Deputy Sheriffs and Firefighters have been excluded from this calculation since these must still be collectively bargained. Unbudgeted non-base wage and benefit reductions include an additional 2% pension contribution so that the total contribution for county employees equals 6%. This total also assumes the 2011 Health care plan design changes are applied to all active employees except for Deputy Sheriffs and Firefighters. Currently they are only applied to retirees and non-represented staff.

Attachment 1 –
Impacts of 2011-13 Governor's Budget Recommendations (SB27/AB 40) on Milwaukee County

Department	Program	2011 impact	2012 Impact	Budget Impact	Description
BHD	Community Recovery Services				The Governor recommends expanding the scope of services under the Community Recovery Services waiver to permit counties to claim federal Medicaid reimbursement for additional types of community-based services provided to individuals with mental illness. Impact Unknown.
BHD	Mental Health and Alchol and Substance Abuse				Block grant allocation restructured, which should benefit Milw Cnty but impact unknown
BHD	Mental Health and Alchol and Substance Abuse	$ (650,550)	$ (1,301,099)	Yes	10% reduction in any GPR funded allocation (COP, IMD, TANF). 5% in 2011; 10% in 2012
Child Support	Base funding		$ (3,664,779)	Yes	Ability to match federal child support incentive payments expired
Courts	Cost of Circuit Court				Statewide Auditor Position: The Governor's budget converts a 1.0 FTE GPR project auditor position in the Supreme Court to permanent status to assist counties with an accurate reporting of circuit court costs and ensure consistent reporting statewide.
Courts	TAD and AIM Grants		$ (866,200)	Yes	TAD and AIM funds for Milwaukee County Eliminated. Funds used for jail screening which will hinder universal screening
Courts	Court Interpreter Funding				Court Interpreter Funding: The Governor's budget increases funding for reimbursement of court interpreter costs incurred by counties for court interpreter services with funding supported by revenues generated from the justice information fee: $134,000 FY 12; $232,700 FY 13.
Courts	Court Self-Help Centers				Court System Self-Help Centers: The Governor's budget authorizes a county board to direct its clerk of circuit courts to operate a self-help center to provide individuals with information on the court system, including guidance on court proceedings and where to find legal assistance and forms. The Governor's budget also authorizes a county to impose a fee for services provided by a self-help center.
Courts	Milwaukee County Clerks Funding	$ (22,800)	$ 10,000	Yes	The Governor recommends increasing reimbursements to Milwaukee County for clerks staffing the Felony Drug Crime Courts, Violent Crime Courts and Operation Ceasefire prosecutions. However, increase assumes 5.8% pension contribution and 12.8% healthcare. So funding actually decreases in 2011

Department	Program	2011 impact	2012 Impact	Budget Impact	Description
Courts	Circuit Court Support	$ (153,518)	$ (307,036)	Yes	Reduction statewide from 18,552,200 to 16,697,000
Courts	Guardian Ad Litem	$ (38,818)	$ (77,636)	Yes	Reduction statewide from 4,691,100 to 4,222,000
DA	Victim Witness Funding	($70,000)	$ (138,000)	Yes	10% reduction
DA	Assistant DA retention				The Governor recommends providing funding from justice information fee revenues for compensation payments made to assistant district attorneys, as determined by a distribution plan agreed to by the department and the Office of State Employment Relations, to increase retention of experienced prosecutors. -$1M provided
DHHS	Medical Assistance				$500M in unspecified Medical Assistance reductions has the potential to impact BHD, DHHS and Family Care
DHHS	Income Maintenance				The Governor recommends transferring administration of income maintenance programs, including eligibility determination for Medicaid and FoodShare, from counties and tribes to the state. This consolidation will improve the accuracy and timeliness of eligibility determinations, while reducing total income maintenance costs by $48 million per year and decreasing the number of overall staff in the program by an estimated 270 FTE positions.
DHHS	WIMCR				WIMCR: The Govenror's budget reduces funding to reflect a change in the process for claiming federal Medicaid funding under the Wisconsin Medicaid Cost Reporting program: -$1,685,200 FY 12; $14,369,600 FY 13. Impact on County Unknown
DHHS	GAMP Payment		$ 6,800,000	No	Appears to maintain Repair Bill language so that the County does NOT have to make a $6.8M payment
DHHS	Basic Community Aids	$ -	$ (2,700,000)	No	Intercept for Income Maintenance
DHHS	Children's Long Term Support				State will utilize a third party administrator. Impact on County unknown.
DHHS	Youth Aids	$(1,790,064)	$ (3,580,092)	Yes	$19.6m reduction Statewide; Milw Cnty's share approx 36.1%

Department	Program	2011 impact	2012 Impact	Budget Impact	Description
DHHS	Closure of Juvenile Corrections Facilities				The Governor recommends reducing expenditure and position authority to reflect closure of Ethan Allen School and Southern Oaks Girls School due to a significantly decreased population. The population decreased from 587 in FY08 to 466 in FY10. The projected average daily population in FY13 is 340. Juvenile boys will be located at Lincoln Hills School, and girls at Copper Lake School, both in Irma.
DHHS	JCI Rates	$ 15,000	$ 30,000	Yes	Gov JCI 7/1/11 = $284.00 (fifty cents below DHHS 2011 ADOP) Gov JCI 7/1/12 = $290.00 ($1.00 below DHHS 2011 ADOP)
DTPW	Highways Capital Funding				The Governor recommends: accelerating work on the Zoo Interchange and continue work on the I-94 North-South Corridor.
DTPW	General Transporation Aids		$ (641,851)	Yes	The Governor recommends adjusting expenditure authority for general transportation aids to reflect:. LFB Paper issued 3/15 shows 15% reduction or $641,851 for Milwaukee County.
DTPW	Transit Operating Aids		$ (6,858,300)	Yes	The Governor recommends adjusting expenditure authority for transit operating aids to reflect: (a) the 3 percent calendar year 2011 increase authorized in 2009 Wisconsin Act 28; (b) a 10 percent reduction in calendar year 2012; and (c) no increase in calendar year 2013. The Governor also recommends changing the funding source for transit operating aids from the transportation fund to the general fund beginning in FY13. The Governor further recommends directing the department to include in its 2013-15 budget request changes to the tiered transit operating system distribution percentages in response to any changes in federal aid due to population changes from the 2010 census. In addition,
DTPW	Regional Transportation Agency				the Governor recommends requiring a binding referendum in any regional transit authority district before imposition of any tax or fee.
DTPW	Transit Capital Assistance				eliminating $100 million in general obligation bonding authority for transit assistance in Southeastern Wisconsin. This bonding authority was only available to the SE WI RTA.
DTPW	Highway Maintenance				Maintenance: The Governor's budget provides a 2 percent increase in each year for state highway maintenance.
Family Care	Nursing home rates				Nursing Home Rate Statute Technical Change: The Governor's budget provides the department the option of using the most recent federal Resource Utilization Group methodology for determining Medicaid reimbursement to nursing homes. Impact on

Department	Program	2011 impact	2012 Impact	Budget Impact	Description
					Milwaukee County unknown
Family Care	Cap on enrollment				FAMILY CARE ENROLLMENT capped on June 20, 2011, or the effective date of this subsection, whichever is later. This subsection does not apply after June 30, 2013. Same for PACE and Partnership.
Family Care	Adult Family Home Certification				Eliminate the requirement that DHS regulate one– and two–bed adult family homes and the requirement that DHS certify one– and two–bed adult family homes in order for these homes to provide services to a person who is a recipient of Family Care, a community–based long–term care MA waiver program, or supplemental security
Family Care	Program Review				Review of Family Care statewide including results of audit conducted by Legislative Audit Bureau
Non Dept	Library Maintenance of Effort				Library MOE: The Governor's budget eliminates the library maintenance of effort funding requirement.
Parks	Repair of Dams				Dams: The Governor's budget provides $4 million for dam repair, reconstruction and removal projects, and would ensure greater program flexibility by removing the deadline for grant requests.
Revenue	State Shared Revenue		$ (8,316,885)	Yes	Aids to Counties reduced by $36.5M on a per capita basis, limited to 0.15mills or 50 percent, whichever is less
Revenue	Property tax caps				* Extending municipal and county levy limits by two years * Levy increase limit by the greater of 0 percent or the increase in equalized value due to net new construction. * Not allowing carry forward of unused levy capacity. * Negative debt service adjustment for debt issued prior to July 1, 2005, if debt service would be lower in the current year than in the prior year
Sheriff	Expressway patrol				Funding held flat. Small increase (20K) budgeted in MC 2011 budget
	Budget impact	**$(2,710,750)**	**$ (25,711,878)**		

MEMORANDUM

Date: March 30, 2011

To: Supervisor Peggy West, Chair, Committee on Health and Human Needs

From: Maria Ledger, Interim Executive Director, Department of Family Care

Subject: Potential impact of 2011-2013 State Budget on the Milwaukee County Department of Family Care

Key Section of ASSEMBLY BILL 40 SECTION 9121, page 1290

...In a county where the family care benefit, as described in section 46.286 of the statutes, is available on June 20, 2011, or the effective date of this subsection, whichever is later, the department of health services may not enroll more persons in care management organizations, as defined in section 46.2805 (1) of the statutes, to receive the family care benefit **than the number of persons receiving the family care benefit in that county on June 20, 2011**, or the effective date of this subsection, whichever is later. This subsection does not apply after June 30, 2013.

Explanation

Milwaukee County was certified by the Wisconsin Department of Health Services (DHS) to provide Family Care to persons with physical and developmental disabilities age 18 to 59 effective November 2009. This was in addition to, at that time, the approximately 7,000 members age 60 or older already in Family Care and served by Milwaukee County. The Milwaukee County Department of Family Care (MCDFC) currently serves more than 7,600 members.

Community Care, Inc. (CCI) was also certified to provide Family Care in Milwaukee County to the same target groups in need of long-term care services. Community Care also participates in the PACE program and the Partnership program. I-Care, Inc. participates in the Partnership program as well.

In the proposed budget, enrollments for Family Care, Program of All-Inclusive Care for the Elderly (PACE), Partnership and the State's Self Directed Supports Waiver "Include, Respect, I Self Direct" (IRIS) will be capped.

Descriptions of Programs Affected by Enrollment Caps

The Family Care program integrates home and community-based services, institutional care services (i.e., nursing homes), Medicaid personal care, home health, and other services that were previously funded separately. Family Care does not provide acute/primary health care services such as hospital stays, emergency room visits, medications, and doctor visits. Family Care interdisciplinary teams can and do assist Family Care members in communicating and coordinating with primary care services and providers.

The Partnership and PACE (Program of All Inclusive Care for the Elderly) programs integrate long-term care services and primary and acute health care services, and prescription medications.

In Partnership, members use physicians who are in the Managed Care Organization's (MCO) provider network that may include the member's current physician. In PACE, members use physicians that are employed by the PACE MCO or under contract. PACE requires the use of a day health center while Partnership does not. PACE enrollees must agree to receive primary care from the PACE physician while Partnership enrollees may choose from a panel of independent physicians who have agreed to serve Partnership members. Participation in either program is voluntary.

In IRIS, participants use public funds within their individually assigned monthly budget allocation and other resources to craft support and service plans that meet their self identified long-term care outcomes. IRIS participants are not enrolled in MCOs and are not provided with interdisciplinary care management teams.

Implications of Enrollment Caps
In Milwaukee County, the waitlist for persons for persons age 18-59 with disabilities is still approximately 2000 people. The anticipated date for the elimination of this waitlist was November of 2012.

Enrollment caps will mean the existing waitlist for people with disabilities will likely be in place past November 2012. In addition, older adults will have to be waitlisted for Family Care for the first time in nearly a decade.

There has been no definitive direction from the State as to how the proposed enrollment caps are to be managed. If managed from a statewide perspective, "slots" created by disenrollments in Milwaukee County may be given, for example, to people who want to enroll in Managed Care in LaCrosse County.

If the State manages the caps on a regional or County basis, "slots" created by disenrollments in the Milwaukee County Department of Family Care may be given, for example, to people who wish to enroll in IRIS in Milwaukee County.

The Secretary and Deputy Secretary of DHS stated they would like to triple enrollments into IRIS. It is unclear how this would occur given the enrollment caps. The Secretary and Deputy Secretary have been given information regarding the availability of Self Directed Supports (SDS) within Family Care. SDS within Family Care is an option for any member who wishes to self-direct all or a portion of their care plan.

The MCDFC has long offered a Self-Directed Supports (SDS) option through our Supportive Home Care Employment Services (SHCES). The MCDFC currently serves over 2,500 members with this highly successful model.

The SHCES model was created to allow members the freedom to hire preferred workers through the co-employment model of SDS. Using the SHCES, members can choose and direct their caregivers with the added safety net of training and quality monitoring. Just as importantly, in the event the preferred caregiver is sick or requests a day off, the SHCES can provide immediate support to members and caregivers through a pool of other caregivers available to provide assistance. This model meets all of the state's long-term care reform goals of Access, Choice, Cost Effectiveness and Quality.

Enrollments

According to DHS, the enrollments for all managed care programs in Milwaukee County, as of 1/2/2011*, are as follows:

	Developmental Disabilities	Frail Elderly	Physical Disabilities	Unknown	TOTAL
Milwaukee County Department of Family Care	1002	6280	214	16	7512
Community Care Inc (CCI) Family Care	624	274	291	2	1191
Community Care Inc (CCI) PACE	15	664	106	2	787
Community Care Inc (CCI) Partnership	30	95	34	2	161
iCARE Partnership	37	32	66		135
IRIS					1093*

* DHS does not provide IRIS information by target group and IRIS enrollment numbers are effective 1/31/2011.

The Department of Family Care will continue to advocate on behalf of older adults and people with disabilities. We will apprise the Board of any further developments on the 2011-2013 budget as they are communicated to us.

If you have any questions, please call me at 287-7610.

Maria Ledger, Interim Executive Director
Milwaukee County Department of Family Care

cc: County Executive Marvin Pratt
E. Marie Broussard,
Chairman Lee Holloway
Supervisor Johnny Thomas
Antionette Thomas-Bailey
John Ruggini
Steven Cady
Jennifer Collins
Jodi Mapp
Jim Hodson

County of Milwaukee
INTEROFFICE COMMUNICATION

DATE: April 7, 2011

TO: Sup. Peggy West, Chair, Committee on Health and Human Needs

FROM: Stephanie Sue Stein, Director, Department on Aging

RE: Informational report regarding the potential impact of the 2011-2013 State Budget on the Milwaukee County Department on Aging

I respectfully request that the attached informational report be scheduled for review by the Committee on Health and Human Needs at its meeting on April 13, 2011.

The proposed 2011-13 state budget released on March 1 by Governor Scott Walker includes a wide range of provisions that, if adopted, contain changes that have major fiscal implications for local government, including Milwaukee County. Proposed changes could affect the availability of services provided to Milwaukee County seniors and persons with disabilities, including the Family Care entitlement program.

Background

Family Care is an initiative of the State of Wisconsin to reorganize its Long Term Care programs for older adults and persons with disabilities. Family Care consolidates long term care services as funded by the state under Medicaid along with the Community Options Program, Community Options Program Waiver, and other Long Term Care programs and was created as an entitlement to Home and Community Based Care alongside the entitlement to institutional care under Medicaid.

The major disadvantage of the state's traditional Long Term Care programs was that they funded services through a fixed annual allocation that served only a limited number of persons each year and led to long waitlists of people in need of services throughout the state. By eliminating waitlists, Family Care provides timely services thereby preventing deterioration in client health and functional abilities and reducing the need for costly services later.

To provide access to and to administer its benefits, Family Care created two new entities – the Resource Center (RC) and the Care Management Organization (CMO). Resource Centers provide a single point of access to Family Care by conducting a comprehensive functional and financial eligibility screen on all persons who request assistance. A Care Management Organization administers the Family Care benefit for persons determined to be eligible by a Resource Center. The CMO is responsible for creating a comprehensive plan of care for each client; contracting with a wide range of service providers; and monitoring the quality of services that clients receive.

The Milwaukee County Board of Supervisors authorized the Milwaukee County Department on Aging to participate as an original Family Care Pilot and has served persons age 60 or older under Family Care since 2000. Family Care in Milwaukee County was recently expanded to serve persons age 18 to 59 with physical and development disabilities. Calendar year 2010 was the first full-year in which Milwaukee County operated both an Aging Resource Center (serving individuals age 60 and older) and a Disability Resource Center (serving individuals age 18 to 59). It was also the first full-year the CMO serves both populations in need of long-term care services. The Milwaukee County Department on Aging continues to operate the Aging Resource

Center, and the Milwaukee County Department of Health and Human Services operates the Disability Resource Center. The separate Milwaukee County Department of Family Care was created in 2010 and is now one of two care management organizations in the community.

Potential Effects of the 2011-13 State Budget

Family Care

Milwaukee County currently has approximately 8,000 seniors enrolled in Family Care. If the 2011-2013 State Budget passes in its current form, for the first time in over ten years, the waitlist would be re-established and seniors who are eligible for care will have to wait rather than getting help. Freezing slots will immediately affect hundreds of Milwaukee County older people older adults.

Every month the Milwaukee County Department on Aging Resource Center enrolls over 150 seniors into Family Care. These people have spent their money and need a nursing home level of care. The Family Care program offers that level of care while enabling seniors to remain in their homes and communities.

Because Family Care has been an entitlement for older people for over ten years, seniors and their families have been assured that they could spend their money on the care they needed and when that money was gone Family Care would be there to serve them. Instead their money will be gone and they will go on a waiting list. It is almost certain that these individuals will need to enter skilled nursing homes, as there is no other way they can get the care they need. At an average of $5,000 a month for skilled nursing home care, the state will be spending twice as much for care the person does not want and does not need.

Some older adults have entered assisted living and community-based residential care facilities with their own resources, again being assured that when their money is gone, if they have chosen a place under contract with one of the Family Care operators, that Family Care will begin to pay for them. Unfortunately, if the budget is passed in its current form, this will not happen and seniors will be left with the only alternative, which is skilled nursing home care.

In Milwaukee County approximately 80-100 people leave the program every month due to death or moving out of the state. With a cap on Family Care, this means that every month at least 50 older people (600 annually) will go on waiting lists. Additionally, we presume these empty slots will be shared with persons on the disability waiting list, which consequently will create an even larger waiting list for older adults. These people have done their financial planning and are spending their savings to get to Medicaid eligibility with the promise there will be help. Beginning in July 2011, there will be no help.

Counties contributed a great deal of their own money to help initiate Family Care. If the proposed state budget passes, the money will no longer be available to help older adults and there simply will be no alternative to provide the support that Family Care offered.

SeniorCare

There are 92,000 seniors who rely on the value of SeniorCare, Wisconsin's Prescription Drug Assistance Program. However, based on the proposed 2011-2013 State Budget, SeniorCare would only be available to seniors who enrolled in the Medicare Part D Prescription Drug Plan. In its present form, SeniorCare is simple, inexpensive, and fair. Medicare Part D is confusing, includes complexities that change yearly, and can cost from $15.00 to $150.00 per month. Moreover, forcing seniors to sign-up for Medicare Part D would likely require unplanned and unaffordable out-of-pocket costs for them. See the following section, Area Aging Programs, Benefit Specialist Program for additional information related to the impact of changes with SeniorCare.

Area Aging Programs

Specialized Transportation

Funds for the Specialized Transportation Assistance Program for Counties (s.85.21) are proposed to stay in the segregated fund with no increase or decrease in funding levels. That funding source supports both the Department's Specialized Elderly Transportation Services program and Transit Plus. The Specialized Elderly Transportation Services program assists nearly 2,000 seniors ineligible for Transit Plus. Should there be no increase in s.85.21 funding during the biennium, the Department may need to place limits on some trip purposes. Examples would be shopping, other than grocery shopping, and nursing home visitation (fewer days a week).

Benefit Specialist Program

Although no funding changes were proposed for the state's benefit specialist program, the proposed change requiring all older persons wanting to enroll in SeniorCare to also enroll in Medicare Part D will result in a substantial increase in the number of older persons needing assistance from five benefit specialists provided by Legal Action of Wisconsin under the Benefit Specialist/Legal Services program. Benefits specialists assist SeniorCare enrollees in selecting a Medicare Part D plan. On average, it takes a benefit specialist 1½ hours to assist a Medicare Part D client. With no new funding for benefit specialists, and the fact Medicare Part D is only one of several areas where seniors need assistance in understanding benefit programs, the number of SeniorCare enrollees in need of assistance will strain the ability of benefit specialists to assist all seniors.

If you have any questions, please call me at 2-6876.

Stephanie Sue Stein, Director
Milwaukee County Department on Aging

cc: County Executive Chris Abele
Supervisor Lee Holloway
Jennifer Collins
Antoinette Thomas-Bailey
Jonette Arms
Mary Proctor Brown
Nubia Serrano
Chester Kuzminski
Gary Portenier
Pat Rogers

MILWAUKEE COUNTY TRANSIT SYSTEM
Inter-Office Communication

Date: April 5, 2011

To: Supervisor James "Luigi" Schmitt, Chairperson, Intergovernmental Relations Committee

From: Lloyd Grant, Jr., Managing Director, Milwaukee County Transit System

Subject: **Impact of the Governor's 2011-2013 Recommended Budget Plan on the Milwaukee County Transit System**

POLICY ISSUE:

This report is in response to a request made at the March 14, 2011 meeting of the Intergovernmental Relations Committee to provide the Committee a brief summary on the effect that the 2011-2013 Governor's recommended budget plan may have on the Milwaukee County Transit System.

WHAT WE KNOW ABOUT THE GOVERNOR'S BUDGET PLAN

Milwaukee County –

1. Decreases State operating aid for MCTS 10% in 2012, nearly 7 million dollars.
2. Shifts the State funding source for mass transit from the transportation fund to the general purpose revenue fund in fiscal year 2013.

Other Transportation –

3. Permits SERTA to impose a rental car transaction fee in the counties of Kenosha, Racine and Milwaukee only if approved at referendum in each of the three counties.
4. Eliminates the Southeast Wisconsin Transit Capital Assistance Program and $100 million in general obligation bonding authority in transit assistance for the program. The only eligible participant for the program is SERTA.
5. Changes the general transportation aids distribution formula for counties by increasing the maximum reduction in aid from the prior calendar year from 2% to 15%.
6. Directs the Wisconsin Department of Transportation to include in its 2013-2015 budget request changes to the tiered Section 85.20 transit operating system distribution percentages in response to any changes in federal aid due to population changes from the 2010 census. Milwaukee is in Tier A-1.

KEY FINANCIAL & BUDGETARY IMPLICATIONS FOR MCTS

► Section 85.20 State Operating Assistance, used to support local fixed route and paratransit services, is budgeted to (a) decease by 10% for calendar year 2012 and (b) no increase in calendar year 2013. As such, State operating aid for MCTS decreases $6,858,300 to $61,724,900 in 2012 and 2013, down from $68,583,200 in 2011.

In its present form, the budget plan should not have an impact on MCTS' 2011 adopted budget. However, the budget plan will have a dramatic impact on the transit budget for calendar year 2012. Specifically, the budget plan decreases the amount of transit operating aid to Milwaukee County from

$68,583,200 to $61,724,900, creating a shortfall of nearly $7 million. This significant decrease in State operating assistance will necessitate very tough decisions about what must be done to make the transit system smaller to reduce expenses and what must be done to generate new revenue to support the existing or remaining fixed route and paratransit services.

To put the magnitude of the proposed State funding reduction for transit in perspective, Milwaukee County tax levy investment in the transit operating budget would need to increase forty percent (40%), from $17.5 million to $24.5 million, to maintain current level of fixed route and paratransit services in 2012. Combined with unrealized revenue in the 2011 adopted budget and higher fuel prices, a few things can be reasonably projected: (1) MCTS will have a sizeable gap to fill in its 2012 budget; (2) MCTS' funding crisis will be accelerated; (3) severe reductions in transit services cannot likely be avoided; (4) a fare increase is highly likely to offset deep service cuts; (5) ridership will decrease as fares increase or availability of transit service declines; and (6) operational efficiency can be expected to suffer with a decrease in ridership. Loss of nearly $7 million in State aid means preparation of the 2012 transit budget will be extremely challenging, which cannot be balanced without some combination of deep service cuts, increase in fares or new sources of revenue.

► Effective July 1, 2012, the funding source for transit operating aids is moved from the segregated transportation revenue fund (STR) to the State's general purpose revenue fund (GPR). Furthermore, revenue in the transportation fund that benefited transit will not be transferred to the general fund for transit. It is worth noting that while moving transit to a less stable funding source and restricting transfer of revenue from the transportation fund to the general fund, the Governor's budget plan also proposes changes to actually improve or increase in the balance of the transportation fund:

> *(a) deposit $95.1 million in existing sales and use tax revenue generated from automobile-related sales into the transportation fund including 7.5 percent ($35.2 million in FY13), and increase the percentage over time until 50 percent of sales and use tax revenue from these types of transactions is deposited in the transportation fund;*
>
> *(b) direct the proceeds of the environmental impact fee to the transportation fund by combining the fee with the existing title fee ($10.5 million annually); and*
>
> *(c) transfer $19.5 million in each year of the biennium from the petroleum inspection fund to the transportation fund. To even further strengthen the position of the transportation fund, the Governor recommends issuing $115 million general fund supported bonds to support the highway program to help offset revenue diversions from the transportation fund in prior budgets.*

Whereas segregated revenues can only be used for specific purposes (earmarked for particular programs), the general purpose fund supports the general functions of State government. The proposed shift to the general fund puts transit in an unfavorable position of competing with every other State spending function that relies on the general purpose fund including K-12 school aids, medical assistance/BadgerCare, the State corrections system, and the UW system. These programs alone make up two-thirds of GPR spending and are key programs where costs generally grow.

We believe the proposed change in the funding source of transit operating assistance could negatively impact MCTS for several reasons: (1) transit will be competing for funds in a smaller general fund given the State budget plan moves $95 million from the general fund to the transportation fund; (2) the change will not only put transit on unstable ground for fiscal year 2012, but future reductions in transit operating aid will be very possible; (3) the proposed change moves transit operating assistance from a stable dedicated funding source (gas tax dollars) to a general purpose fund that has been largely dependent on revenue from the transportation fund; and (4) money that was provided by the State for public transit systems will stay in the segregated transportation fund for other purposes.

In closing, Milwaukee County Board Chairman Lee Holloway stated in a February 1, 2011 letter to the Governor that transit is an essential component of the transportation infrastructure, and removing transit from the segregated transportation fund can cause "economic harm" to entities served by MCTS including "employees, businesses, schools, medical facilities and Summerfest." I believe Chairman Holloway is one-hundred percent correct. In an environment of rapidly rising fuel prices, public transit is the most effective way for our community to save money if transit service is available. We believe our community and businesses will suffer without adequate State investment in public transit services. If service is cut back, some people will not have transit service. Additionally, those with transit service may experience longer wait times, longer travel times, overcrowding and shortened hours of service. Ultimately, ridership demands will not be met. This will result in fewer jobs being supported by public transit and a decline in the quality of life for Milwaukee County residents.

Lloyd Grant

cc: Chairman Lee Holloway, Milwaukee County Board of Supervisors
Members of the Intergovernmental Relations Committee
Supervisor Michael Mayo, Sr., Chairman, Transportation, Public Works & Transit Committee
Members of the Transportation, Public Works & Transit Committee
Terrence Cooley, Chief of Staff, Milwaukee County Board of Supervisors
Jack Takerian, Director, Department of Transportation & Public Works
Roy de la Rosa, Director, Intergovernmental Relations
Kelly Bablitch, Assistant Director, Intergovernmental Relations
Josh Fudge, Fiscal and Budget Analyst, Department of Administrative Services
Jodi Mapp, Committee Clerk, Transportation, Public Works & Transit Committee
Martin Weddle, Research Analyst, Transportation, Public Works & Transit Committee
Carol Mueller, Committee Clerk, Intergovernmental Relations Committee
Steve Cady, Research Analyst, Intergovernmental Relations Committee

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

DATE: March 22, 2011

TO: Michael Mayo, Sr., Chairman, Transportation, Public Works & Transit Committee

FROM: Jack H. Takerian, Director of Transportation and Public Works

SUBJECT: 2012 State Executive Budget Review

POLICY ISSUE:

This report is in response to a request made at the Transportation, Public Works and Transit Committee on March 2011 meeting cycle.

BACKGROUND:

Highway Maintenance Division

General Transportation Aids. (GTA) - The state executive budget includes a 15% decrease in GTA for 2012. The amount of eligible costs from 2010 reported by Milwaukee County for inclusion in the GTA formula is unknown until after the CAFR is submitted by DAS later this spring. The 2012 GTA funding reduction for Highway maintenance is 349,615 or 15%. The information below shows the amount of the total GTA reduction for 2012.

Year	Total GTA Amount of dollars Milwaukee County receives	GTA Reduction Percentage	Reduced Amount
2012	3,637,158	15%	-641,852

The countywide GTA amounts include the Highway Maintenance GTA portion as well as the portion allocated to the Sheriff and to Parks.

State Maintenance Funding -The Executive budget includes a 2% increase in state maintenance funding each year of the 2-year budget. Based on Milwaukee County's 2011 Routine Maintenance Agreement (RMA) budget, the following schedule includes the potential increase in state maintenance funding for Highway Maintenance.

Year	RMA	Increase	Amount Increase
2011	12,255,100	0%	0
2012 (Estimated)	12,500,202	2%	245,102
2013 (Estimated)	12,750,206	2%	250,004

The above calculation assumes a 2% increase that is distributed equally to all counties. Based on the level of service model used by WISDOT, the actual increase to an individual county could approximately +/- 2%.

Total Funding and Proposed Corrective Action

The estimated GTA funding reduction for Highway maintenance is 349,615, which is partially offset by the State Maintenance budget increase 245,102 leaving a budget gap of 104,513.

The budget gap will be addressed with expenditure reduction on county trunk highways maintenance, or a supplemental revenue source would have to be identified.
Mowing on County Trunk Highways will be reduced from twice per month to once per month. The balance will be addressed by holding vacant positions open for a longer period of time.

Transportation Services Division

Local Road and Local Bridge Program – This section is not impacted by the State bi-annual operating budget. An application for funding was submitted on July 2010 for the 2011-14 cycle, projects were selected by Southeastern Regional Planning Commission during the early part of 2011. The next application for funding will be submitted in July 2012 for the 2015-17 cycle.

RECOMMENDATION:

Informational Report

FISCAL NOTE:

None

Prepared by: Rollin M Bertran, P.E., Director of Highway Operations

Approved by:

Jack H. Takerian, Director
Department of Transportation and Public Works

COUNTY OF MILWAUKEE
Inter-Office Communication

DATE: April 7, 2011

TO: Supervisor Lee Holloway, Chairman, Milwaukee Co. Board of Supervisors

FROM: Geri Lyday, Interim Director, Department of Health and Human Services

SUBJECT: **From the Interim Director, Department of Health & Human Services, submitting an informational report regarding the potential impact of the 2011-2013 State Budget on the Milwaukee County Department of Health and Human Services (Informational only unless otherwise directed by the Committee)**

Issue

At its March meeting, the Intergovernmental Relations Committee requested a written summary detailing the impact of the Governor's 2011-2013 Budget on various departments including the Department of Health and Human Services (DHHS).

Background

There are numerous changes in the budget that impact DHHS. The following identifies proposed State budgetary changes affecting DHHS:

Medical Assistance
Included in the State Budget is a $500 million reduction to the Medical Assistance program over the biennium. This program has over one million participants' statewide and may have large implications for Milwaukee County. Unfortunately, little information exists regarding this reduction.

Though the budget does not identify how these savings will be achieved, the assumption is that the State Department of Health Services (DHS) would exercise the rulemaking authority provided to it under Wisconsin Act 10 (2011 Budget Repair Bill) to make changes to the statutes relating to program eligibility, services, plan structure and cost sharing by participants. Wisconsin Act 10 directs DHS to first study potential changes to the Medical Assistance Program and any necessary federal waivers.

The Department has several divisions that rely on Medicaid funding estimated at $44 million. The following programs have budgeted Title 19 revenue and potentially could be impacted:

BHD
- Community Services including BHD operated and contracted services
- Inpatient and long-term behavioral health care

- Community-based programming such as Community Support Program (CSP)
- Wraparound Milwaukee

DHHS

- Children's Long-Term Support in DSD
- Delinquency Crisis Services Billing

Behavioral Health Division

As a part of the across-the-board initiative to reduce base funding for non-staff costs, the proposed budget includes a ten percent reduction in the amount of General Purpose Revenue (GPR) and Program Revenue (PR) made available for mental health and alcohol and substance abuse services. (Note: BHD and DHHS have received confirmation from the State that Basic Community Aids and Community Options Program funding will not be subject to the 10 percent GPR cut, and will remain at 2011 levels.)

The estimated reduction for BHD for programs funded by GPR (not BCA or COP) is $980,000 in 2011 and $1.2 million in 2012. This revenue is directly tied to client services so this, in effect, would be a direct service reduction unless an alternative funding source could be identified. However, the State has indicated it plans to restructure the AODA Block Grant allocation in 2012, which could positively impact Milwaukee County, as well as initiate other offsets to lessen the impact of the GPR reductions. Therefore, the net fiscal impact of the proposed changes will not be known until the State releases its final recommended numbers, which are expected by April 8. Based on the final figures, BHD will assess how client services will be impacted.

Additionally, the budget does not appear to include a $6.8 million GAMP payment from Milwaukee County to the State for either 2011 or 2012. There are a few other changes in the proposed budget that at this point would appear to have negligible, if any, impact on BHD. These include a change to the process for the Wisconsin Medicaid Cost Reporting Program (WIMCR), which BHD has been told by the State would be cost neutral for counties, and the elimination of statutory fees for patient medical records to be replaced by fees set by rulemaking. It is not clear the level at which fees would be set in rule relative to the current statutory fees, though the revenue that BHD receives from providing patient medical records is very small.

Disabilities Services Division

The budget caps enrollments in each of the publicly funded long-term care programs (Family Care, Family Care Partnership, PACE, or IRIS) at the number of individuals in that program as of June 20, 2011. Currently, DSD's Disability Resource Center (DRC) is in the process of phasing-in the enrollment of individuals with disabilities ages 18 through 59 who are currently on a waitlist. However, the budget would halt this process causing the 2,000 waitlist individuals, as well as new clients, seeking long-term services to not receive services.

The State provides about $2.1 million in GPR revenue to support the county's DRC. It appears that the budget retains this funding.

Income Maintenance

In 2010, the State of Wisconsin assumed responsibility for managing the administration of the Income Maintenance program and established the Milwaukee County Enrollment Services unit (MILES) to determine eligibility and administer the Food Share and BadgerCare public assistance programs. The proposed budget eliminates this unit and centralizes the IM functions statewide into one State IM Unit no later than May 1, 2012 and allows the new unit to contract with a public or private agency to perform certain IM administrative services statewide.

The budget also repeals existing statutes that authorize DHS to provide state funding to support the costs of MILES. This includes funding for the 271 county FTEs assigned to the Income Maintenance unit and shared services (human resources, records center, IT support) provided by Milwaukee County. The estimated fiscal impact to this change is unreimbursed legacy costs of about $4 million based on the 2011 budgeted rates and a $500,000 loss in shared services revenue. Though the budget allows DHS to delegate some administrative functions to counties, DHHS does not know what if any functions the State will seek assistance for from Milwaukee County.

Currently, the State reimburses Milwaukee County the cost of the county IM staff assigned to MILES less the county's required contribution of $2.7 million. The Governor's proposed budget would prorate this contribution based upon when the State established its centralized IM unit. Beginning in fiscal year 2012-2013, however, DHS would decrease every county's community aids allocation based upon the amount the county expended in 2009. For Milwaukee County, this amount was $2.7 million which is the same amount currently provided by the county to support MILES.

In 2010, the County's Child Care program was also taken over by the State Department of Children and Families (DCF). DHHS has verbally been told that the Child Care unit staffed by county employees and located at the Coggs Center is expected to remain intact. In addition, Food Share and a few other functions handled previously by DHS are transferred to DCF by January 1, 2013.

Since the takeover occurred, State DHS has leased the Coggs Center from DHHS. Although State DHS has verbally indicated that it will continue to use the majority of square footage in 2011, the future space needs of the State are unknown.

Delinquency

Cuts are expected in youth aids revenue as well as an increase to the daily rates charged to counties. This budget change is estimated to result in a revenue reduction of $1.8 million in 2011 and $3.6 million in 2012 to Milwaukee County.

While the 2011 DHHS Budget assumed a rate increase that accommodates the new

$284 daily rate proposed, the Department and Sheriff's Office anticipate an undetermined increase in costs associated with the planned closures of Ethan Allen and Southern Oaks correctional facilities. The Department will likely incur an increased use of detention beds for correctional youth pending return to one facility now located in northern Wisconsin and the Sheriff will likely incur increased transportation costs.

At the same time the State is proposing to decrease Youth Aids revenue, there continue to be concerns that new rate regulations and administrative rules anticipated to go into effect July 1, 2011 will increase costs associated with group home and residential care.

Recommendation

This report is informational only and no action is required.

Geri L. Lyday

Geri Lyday, Interim Director
Department of Health and Human Services

Cc: Interim County Executive Marvin Pratt
Supervisor Luigi Schmitt
Supervisor Johnny Thomas
John Ruggini, DAS Interim Fiscal and Budget Administrator
Antionette Thomas-Bailey, Fiscal and Management Analyst, DAS
Stephen Cady, County Board Staff
Jennifer Collins, County Board Staff
Carol Mueller, County Board Staff

COUNTY OF MILWAUKEE
Inter-Office Communication

DATE: April 7, 2011

TO: James (Luigi) Schmitt, Chairman, Intergovernmental Relations Committee
Willie Johnson, Jr., County Board of Supervisors, Chairman, Judiciary Committee

FROM: Lisa Marks, Director, Department of Child Support Enforcement

SUBJECT: REPORT FROM THE DIRECTOR, CHILD SUPPORT ENFORCEMENT PROVIDING AN INFORMATIONAL REPORT ON THE IMPACTS OF GOVERNOR WALKER'S PROPOSED BUDGET.

Issue:

An informational report was requested at the March 14, 2011, meeting of the Intergovernmental Relations Committee regarding departmental impacts of the Governor's budget repair bill and proposed 2011-2013 Biennial Budge.

Discussion:

Budget Repair bill does not have direct impact on the Department of Child Support Enforcement (CSE). The proposed biennial budget will impact CSE.

Fiscal Impacts:
CY2011, minimal to no impact. CY2012 decrease of $3,664,779, and CY 2013 decrease of $3,664,779 if distribution methodology remains the same.

To adequately explain the impact of Governor Walker's proposed budget Child Support (CSE) needs to briefly cover some recent history.

Prior to the Deficit Reduction Act of 2005 (DRA), local child support enforcement agencies received approximately $12.7 million in federal child support incentive payments and $24.7 million in federal matching funds (at 66% matching rate) for these incentive payments, for a total of $37.4 million. The DRA eliminated the ability to receive federal matching funds on the federal child support incentive payments. As a result, local child support agencies would have received only $12.7 million in federal funding, a statewide reduction of $24.7 million. 2007 Act 20 provided an annualized amount of $5.5 million GPR to partially offset this reduction in funding, which generated $10.7 million in federal matching funds, for a total of $28.9 million ($12.7 million incentive + 5.5 GPR + 10.7 match). Even with this State investment Milwaukee County CSE absorbed a $2.6 million per year loss during that period.

The American Recovery and Reinvestment Act of 2009 (ARRA) restored the ability to match federal child support incentive payments from October 1, 2008, through September 30, 2010. As a result, 2009 Act 28 eliminated the $5.5 million GPR annually that had been provided within 2007 Act 20. Instead, Act 28 provided $4,250,000 GPR in 2010 -11 due to the elimination of the ability to match incentive payments October 1, 2010. It was assumed that the other one-half of the CY 2011 GPR would be provided in the 2012-13 biennial for the last six months of CY 2011 contracts. The funding level under Act 28 for local child support agencies on an annualized basis would have been $12.5 in child support incentive payments, $8.5 million GPR, and $16.5 million federal match on the GPR.

On June 25, 2010, DCF sent counties preliminary contract allocations for CY2011, consistent with Act 28. However, in accordance with Governor Doyle's budget instructions that GPR remain at the base budget amount in agency requests, Secretary Bicha submitted a budget limiting GPR to $4,250,000 in each year of the biennium. CSE was notified of the conflict in the base amount as the 2011 County budget hearing procress began.

Intergovernmental Relations was instrumental in assisting CSE and the Wisconsin Child Support Enforcement Association with the passage of Motion #40 in December, 2010. The bill moved unallocated DCF program revenue of $4,250,000 and $8,250,000 federal match to state child support programs for CY2011.

Governor Walker's proposed budget did not address the discrepancy between the base funding provided for under Act 28 and the language of the DCF requested budget. The net fiscal effect is a reduction of $8,500,000 GPR and $16,500,000 federal match ($25,000,000 total) statewide for the biennium. With the GPR provided under Motion #40 and with the CY2012 $4,250,000 GPR appropriation, there will.be no fiscal impact to Counties in 2011. Assuming the same methodology for distribution in 2012 as in 2011, Milwaukee County will lose an estimated $3,664,779 in GPR and federal match in 2012. With no changes to the current budget language or distribution methodology, Milwaukee County would lose an estimated $3,664,779 in 2013.

Despite the significant funding cuts in Governor Walker's budget, maintenance of effort and contractual county minimum contributions are not adjusted - the required county contributions remain unchanged. Milwaukee County is required to contribute at least $2,491,002 to the child support program. If the County is unable to meet this requirement, the State could withhold revenue from the department by the same amount.

Programmatic Impacts:
The 2011 State and County contract for Child Support placed strong emphasis on arrears collections. This emphasis is not reflected in Governor Walker's budget.

In January 2010, the Department of Health Services assumed responsibility for Milwaukee County's Income Maintenance Division, now known as MiLES. CSE receives 75% of its referrals from this division. Since the transfer, the number of duplicate and inappropriate referrals has increased. This increase has caused additional workload issues for CSE and may have a negative performance revenue impact for the next several years. Another change to this delicate referral system could create additional duplicative work.

The Department estimates that families in Milwaukee County may lose up to $18,323,895 in support collections due to potential staffing reductions and resulting delays in establishing paternity and support. The potential delays in service may increase the demand for limited customer service resources. Finally, besides the potential harm to families, this will impact the amount of future incentive funding the Department will earn.

CSE has been working with IGR to seek a solution to this funding issue. There appears to be some support within Joint Finance to address the shortfall for 2012, provided a funding source can be identified. On March 23, 2011, the Legislative Audit Bureau identified $12 million in DCF's budget as a Random Moment Sampling Variance. Although the State's Department of Administration has proposed to lapse this money to the general fund, this is a potential source of funding for the child support program. Any of this money put into child support would draw additional federal dollars, by a 66% match rate.

Recommendations:

This report is for informational purposes only.

Respectfully submitted,

Lisa Marks, Director
Department of Child Support Enforcement

cc: County Executive
Chief of Staff – County Executive's Office
Rick Ceschin, Analyst – County Board
Antoinette Thomas-Bailey, Analyst - DAS

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

DATE : March 22, 2011

TO : Supervisor Lee Holloway, Chairman, County Board of Supervisors

FROM : Pamela Bryant, Capital Finance Manager, Department of Administrative Services (DAS)

SUBJECT : 2011 University of Wisconsin- Milwaukee (UWM) Land Sale Funded Capital Projects- (Informational Report)

Background

The 2011 Adopted Capital Improvements Budget includes capital projects that were to be financed with $5,000,000 of UWM land sale revenue. These projects include: Project WP174 Parks Major Maintenance, Project WP186 Parks Naturalization, Project WZ600 Zoo Master Plan, Project WO114 Countywide Infrastructure Improvements, Project WO205 Fiscal Automation Program, Project WO444 BHD/MCSO Electronic Medical Records System, Project WO514 War Memorial Window Replacement and Reseal, Project WO515 War Memorial Window Ledge Leak Repairs, and Project WO949 Inventory and Assessment of County Facilities.

In February 2011, a Real Property Purchase Agreement with UWM Innovation Park, LLC for County-owned land located in the Northeast Quadrant of the County Grounds was approved. The purchase price was $13.55 million. The payments were amended from the schedule originally adopted in May 2009. Instead of the second $5 million payment being received by Milwaukee County in February 2012 (available for fiscal year 2011), it will be received in February 2014 (available for fiscal year 2013).

Issue

The $5 million of UWM land sale revenue included in the 2011 Adopted Capital Improvements Budget will not be available to finance the 2011 capital projects.

The Department of Administrative Services (DAS) worked with the Department of Transportation and Public Works (DTPW) to refine cost estimates and forecast the cash flow needed for work that will occur in 2011 for projects that were being financed by the UWM land sale revenue. Any work that will not be able to be completed in 2011 will need to be completed in 2012.

Each of the individual projects listed below includes the 2011 budgeted UWM land sale financing amount and the amount cash financing necessary for work being completed in 2011.

<u>Project WP174 Parks Major Maintenance (Domes HVAC Repair and Upgrades)</u>: Financing of $100,000 of UWM land sale revenue was included in the 2011 Adopted Capital Improvements Budget. Cash financing of $56,248 is needed so that the work can be performed in 2011.

<u>Project WP186 Parks Naturalization</u>: Financing of $61,000 of UWM land sale revenue was included in the 2011 Adopted Capital Improvements Budget. The work will be temporally deferred until 2012. It is anticipated that work will begin in the Spring of 2012 rather than the Fall of 2011.

Project WZ600 Zoo Master Plan: Financing of $200,000 of UWM land sale revenue was included in the 2011 Adopted Capital Improvements Budget. It is estimated that $200,000 will be spent in 2011; however, since half of the project is financed with revenue from the Zoological Society only $100,000 of cash financing will be needed from Milwaukee County in 2011. The second half of the project will be completed in 2012.

Project WO114 Countywide Infrastructure Improvements: Financing of $2,848,381 of UWM land sale revenue was included in the 2011 Adopted Capital Improvements Budget. Approximately $2.2 million in cash financing will be needed to perform work in 2011. One major item that will be performed in 2012 will be the re-caulking of the Criminal Justice Facility. . It is anticipated that bid document preparation for the re-caulking will occur in late 2011 so that implementation can occur in 2012. The re-caulking is estimated to cost $864,000.

Project WO205 Fiscal Automation Program: Financing of $65,000 of UWM land sale revenue was included in the 2011 Adopted Capital Improvements Budget. The work associated with the UWM land sale revenue will be deferred until 2012.

Project WO444 BHD/MCSO Electronic Medical Records: Financing of $500,000 of UWM land sale revenue was included in the 2011 Adopted Capital Improvements Budget. Staff is currently in Phase 2 "Request for Proposal (RFP) Process and Vendor Selection" and is in the process of evaluating proposals from vendors. It is unknown at this time how much cash financing will be required in 2011.

Project WO514 War Memorial Window Replacement and Reseal: Financing of $42,000 of UWM land sale revenue was included in the 2011 Adopted Capital Improvements Budget. Cash financing of $42,000 is needed so that the work can be performed in 2011.

Project WO515 War Memorial Window Ledge Leak Repairs: Financing of $15,300 of UWM land sale revenue was included in the 2011 Adopted Capital Improvements Budget. Cash financing of $15,300 is needed so that the work can be performed in 2011.

Project WO949 Inventory and Assessment of County Buildings: Financing of $1,168,318 of UWM land sale revenue was included in the 2011 Adopted Capital Improvements Budget. The 2011 Budget includes property condition assessments for the Airport, Parks, Cultural, Criminal Justice, Fleet Maintenance, and Behavioral Health Facilities. Property condition assessments have begun with areas that are financed by Airport Revenue. Assessments for Parks, the Marcus Center, and the Milwaukee Public Museum will take place in 2011. The remaining facilities (Children's Court, House of Corrections, Fleet Central Garage, Fleet North Shop, and the CATC) will be assessed in 2012. The cash financing needed for the non-airport work being performed in 2011 is $524,700.

Summary

Assuming work on these projects begins June 1, it is estimated that about $3.5 million of cash financing will be needed to perform work on these projects throughout the remainder of 2011.

Pamela Bryant
Capital Finance Manager

cc: Marvin Pratt, County Executive
Michael Mayo, Chairman, Transportation and Public Works Committee
Johnny Thomas, Vice-Chairman, Finance and Audit Committee
Jack Takerian, Director, Department of Transportation and Public Works
Greg High, Director, Architecture and Engineering Division
E. Marie Broussard, County Executive's Office
Steve Cady, County Board Fiscal and Budget Analyst
Martin Weddle, County Board Analyst

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

DATE: March 28, 2011

TO: Lee Holloway, Chairman, County Board of Supervisors

FROM: Pamela Bryant- Capital Finance Manager

SUBJECT: Due Diligence Report for the allocation of funds from the County's Housing Trust Fund to United Methodist Children's Services (UMCS) for a supportive housing development.

Request

The Department of Administrative Services is recommending approval of the attached resolution to adopt requirements for financial proposals and approval of a $100,000 grant from the Special Needs Housing capital project to the UMCS Phase III project to provide five supportive housing units for Milwaukee County Behavioral Health clients.

Special Needs Housing Program

In 2007, Milwaukee County created the SNHP for the purpose of providing partial financing for the development of supportive housing in Milwaukee County. The SNHP is financed through loans from the Board of Commissioner's State Trust Fund Loan program. The SNHP project scope for the loans consists of the following: acquisition of land and construction and or renovation of facilities for the purposes of providing housing for persons with mental illness and/or others served by the Milwaukee County Department of Health and Human Services (DHHS) - Behavioral Health Division (BHD). When the fund was created, the County Board also adopted specific criteria that are required for a project to be eligible to receive funds from this program. The criteria are as follows:

- **Eligible Applicants**- non-profit developers or agencies who have the capacity and experience to develop and own the housing and whose project team includes members, who have experience providing housing/services to adults living with serious and persistent mental illness. Eligible applicants may partner with an appropriate service agency to provide the services necessary to support people living with serious and persistent mental illness in permanent housing.

- **Eligible Projects**- new construction or rehabilitation projects that provide permanent housing where:
    - At least 40% of the units developed are (in accordance with applicable fair housing laws) primarily set aside for use by Behavioral Health Division consumers living with serious and persistent mental illness (as determined by Behavioral Health Division), and
    - Who are under 30% of median income

- **Eligible funding requests**- grants for any given year may not exceed 10% of the total development costs for units set aside for Behavioral Health Division consumers living with serious and persistent mental illness. The dwelling unit set aside shall be for 10 years or the term of the tax credit commitment, whichever is longer.
  - Minimum request of $100,000
  - Maximum request of $500,000

- **Eligible Activities**- project costs related to new construction, rehabilitation, acquisition of real property, clearance and demolition, removal of architectural barriers, and other activities necessary for the development of the project.

- **Disadvantaged Business Enterprise (DBE) participation**- in order to be considered for County funding, project developer must agree to meet or exceed County DBE requirements pertaining to construction projects.

The Department of Health and Human Services (DHHS) has submitted a report for the April cycle to the committees on Economic Development, Health and Human Needs, and Finance and Audit. The DHHS is requesting County Board approval to allocate $100,000 from the Special Needs Housing Program (SNHP) to United Methodist Children's Services (UMCS) to partially fund the UMCS Phase III development. The development will be located at 3800 West Lisbon Avenue.

The Department of Administrative Services in accordance with Administrative Procedure 7.92 Due Diligence, has conducted a due diligence review of UMCS' request for funding from the SNHP.

Background

UMCS is a nonprofit organization that has provided social, housing, and support services to low-income children and families in the Milwaukee community since 1962. They have developed a number of low-income and supportive housing developments throughout Milwaukee County.

The organization has operated a 16-unit transitional living facility for 15 years. They are located on 40th and Lisbon, where they have their administrative offices and a licensed day care with the capacity for 60 children. In 2007, the organization developed UMCS Phase I- UMCS Townhomes, which is a six-unit development for low-income families. Adjacent to this is UMCS Phase II- Washington Park Apartments, which is a 24-unit supportive housing development for families with 10 of those units designated for BHD consumers with children. This development includes community-serving space and the Family Resource Center, which includes a food pantry. In 2009, Milwaukee County provided $277,000 from the SNHP to support this development. UMCS Phase III is the latest proposed development that would consist of 24 scattered-site units, of which 14 units will be townhomes. In addition, the development would consist of a 10-unit multifamily permanent supportive housing building with five units designated for BHD clients with one or two children.

Review & Analysis

The Department of Administrative Services (DAS)- Fiscal Affairs has reviewed the project proposal from UMCS and prepared the analysis as follows:

The original request was for an allocation of $100,000 for a 10-unit development with four units designated for BHD clients. However, this was not within the criteria which state that an organization is eligible to receive 10% of the development costs for the construction of the units designated for BHD clients, and the minimum request that is allowed is $100,000. The total cost of the 10-unit development is $2,169,636 and the construction of the four units is $867,854. Based on these criteria, the organization is only eligible to receive $86,785, which does not meet the criteria for the minimum request. DAS worked with UMCS and Housing to designate a fifth unit for BHD clients to meet the minimum request criteria. With the addition of the fifth unit for BHD clients, the total project cost for five units is $1,084,818, which would increase the eligible grant amount for the development of the project to $108,482.

The funding requested from Milwaukee County would only be used to support the construction of the five units designated for BHD clients. The county has received supporting documentation verifying that the organization will also receive funding from the following sources:

- $4,031,159 in Tax Credits
- $495,000 from the City of Milwaukee's Neighborhood Stabilization Fund
- $750,000 in Permanent Financing from Great Lakes Capital Fund

UMCS will be the primary developer on this project with the assistance of Community Development Advocates (CDA), LLC. CDA has worked as the development consultant on several development projects to include UMCS Town Homes and Washington Park Apartments, as well as other housing developments.

Having additional housing developments that provides permanent supportive housing to BHD clients is beneficial to Milwaukee County, as it would be an increase in services for the mentally ill while allowing them to live as independently as possible.

Financial Impact

The County created a Special Needs Housing Fund in its capital program in 2007. A total of $3,000,000 has been allocated to the Fund since its inception: $1,000,000 in 2007 and $2,000,000 in 2009, for approved supportive housing development projects. There is approximately $372,000 remaining in this fund.

The County is currently paying approximately $425,000 annually through 2017 to retire the loan from the State Trust Fund Loan Program. The annual amount decreases to $278,000 each year for the two remaining years 2018 and 2019. Approval of the grant request from UMCS for $100,000 will reduce the amount remaining in the SNHF to $272,000.

Recommendation

The DAS is recommending approval of the $100,000 grant to UMCS for the UMCS PHASE III development with the following conditions:

1. Development agreement includes language that specifies that five of the 10 units constructed would house BHD clients.

2. UMCS will provide an annual report to the County relating to the number of BHD clients living in UMCS Phase III.

3. Development agreement includes language that specifies that if for some reason the building or land is sold, the County will recover 10% of the sale proceeds or $100,000, whichever is greater.

Pamela Bryant

Pamela Bryant, Capital Finance Manager

File No.
(Journal,)

(ITEM NO.) : **The Department of Administrative Services is recommending approval of the attached resolution for a $100,000 grant from the County's Special Needs Housing Program (SNHP) for United Methodist Children Services' (UMCS) UMCS Phase III project to provide five permanent supportive housing units for Milwaukee County Behavioral Health clients.**

A RESOLUTION

WHEREAS, the County Board adopted Resolution 07-74 which approved criteria for the allocation of budgeted appropriations for housing for persons with mental illness; and

WHEREAS, UMCS has requested a grant of $100,000 from the County's SNHP, for the UMCS Phase III project, that would provide five permanent supportive housing units for Milwaukee County behavioral health clients; and

WHEREAS, the Department of Administrative Services prepared a due diligence report based on the requirements in Section 7.92 of the Administrative Procedures; and

WHEREAS, based on the criteria approved in 2007 in Resolution 07-74 the UMCS Phase III project would qualify for $100,000 from the County's SNHP; NOW THEREFORE,

BE IT RESOLVED, that the Interim Director, DHHS or designee is authorized to negotiate and execute an agreement with the developer which ensures compliance with the terms and conditions governing the use of funds from the County's SNHP and which accomplishes such other objectives as will best serve the county and the housing needs of our behavioral health system's consumers, and be it

FURTHER RESOLVED, that based on the requirements set forth in Resolution 07-74, UMCS receives a grant of $100,000 for the UMCS Phase III project contingent on the following:

- Development agreement includes language that specifies that five units would house BHD clients.
- UMCS will provide an annual report to the County relating to the number of BHD clients living at UMCS Phase III.
- Development agreement includes language that specifies that if for some reason the building or land is sold, the County will recover 10% of the sale proceeds or $100,000, whichever is more; and be it

FURTHER RESOVLED, that if for any reason UMCS is unable to obtain the funding for the total project costs, including fees and other charges, the $100,000 grant from the SNHP will be returned to Milwaukee County.

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 3/24/11

Original Fiscal Note ☒

Substitute Fiscal Note ☐

SUBJECT: From the Interim Director, Department of Health & Human Services, Requesting County Board Approval to Allocate $100,000 of Financing from the County Special Needs Housing Trust Fund to United Methodist Children's Services for the Supportive Housing Development to be Known as UMCS Phase III

FISCAL EFFECT:

☒ No Direct County Fiscal Impact

☐ Existing Staff Time Required

☒ Increase Operating Expenditures
(If checked, check one of two boxes below)

☐ Absorbed Within Agency's Budget

☐ Not Absorbed Within Agency's Budget

☐ Decrease Operating Expenditures

☒ Increase Operating Revenues

☐ Decrease Operating Revenues

☐ Increase Capital Expenditures

☐ Decrease Capital Expenditures

☐ Increase Capital Revenues

☐ Decrease Capital Revenues

☐ Use of contingent funds

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	100,000	0
	Revenue	100,000	0
	Net Cost	0	0
Capital Improvement Budget	Expenditure		
	Revenue		
	Net Cost		

DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated. [1] If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.

D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

A. The Interim Director, Department of Health and Human Services, is requesting County Board approval to allocate $100,000 of financing from the County's Allocation of State Trust fund dollars to UMCS for the Supportive Housing Development to be known as UMSC Phase III.

This project will be a continuation of Washington Park Apartments, a supportive housing development previously funded by the Housing Trust Fund. This development set aside ten units for Behavioral Health Division consumers.

B. This expenditure of $100,000 is 100% offset by revenue from the County's allocation of State Trust
Fund dollars.

C. There is no tax levy impact associated with the approval of this request.

D. No assumptions are made.

[1] If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

Department/Prepared By James Mathy, Housing Division

Authorized Signature Geri L. Lyday

Did DAS-Fiscal Staff Review? ☐ Yes ☒ No

DATE: March 24, 2011

TO: Supervisor Lee Holloway, Chairman - Milwaukee County Board

FROM: Geri Lyday, Interim Director – Department of Health & Human Services
Prepared by: James Mathy, Special Needs Housing Manager – Housing Division

SUBJECT: **From the Interim Director, Department of Health & Human Services, Requesting County Board Approval to Allocate $100,000 of Financing from the County Special Needs Housing Trust Fund to United Methodist Children's Services for the Supportive Housing Development to be Known as UMCS Phase III**

Issue

The Interim Director, Department of Health & Human Services (DHHS), requests County Board approval for an allocation of $100,000 from the Fund to United Methodist Children's Services (UMCS) for the partial financing of the supportive housing development to be known as UMCS Phase III. County Board approval is required for expenditures of funds from the Special Needs County Housing Trust Fund (CHTF).

Background

In February of 2007, the County Executive proposed, and the County Board approved, creation of a Special Needs County Housing Trust Fund (CHTF) to provide partial financing for the development of supportive housing in Milwaukee County. The fund is currently financed through low-interest loans from the State of Wisconsin Trust Funds Loan Program.

UMCS Phase III is a supportive housing development project of the United Methodist Children's Services (UMCS) of Wisconsin with the development assistance of Community Development Advocates. The project, in its entirety, will be comprised of 24 scattered site units of decent, safe, affordable and permanent housing for families.

As part of the development, UMCS will be constructing a ten-unit, multi-family apartment building that will provide permanent supportive housing. UMCS will be setting aside five of the ten units (50%) for Milwaukee County Behavioral Health Division consumers. Two-bedroom supported apartments are in extremely short supply, and County gap financing of this project helps to address an especially critical need for supportive housing.

This development is Phase 3 of UMCS's overall housing development. Phase 2 included Washington Park Apartments, a 24-unit supportive housing development for families. Ten of those units were set aside for BHD consumers and their children. This development has been very successful in meeting the needs of these individuals and the units have been at 100% occupancy. Washington Park Apartments also had been previously awarded Milwaukee County Housing Trust Fund dollars.

UMCS will also be the provider of supportive services for this project. In addition to its housing development experience, UMCS has been providing a variety of social, housing and other support services to children and families since 1962. Its Transitional Living Program provides safe, affordable housing, on-site social services and childcare, with a comprehensive program designed to enable low-income, single parent families to become economically self-sufficient.

Community Development Advocates, LLC (CDA), located at 2212 N. Martin Luther King, Jr. Drive, has extensive experience both in directly developing and in assisting several non-profit organizations in developing affordable housing in the community. CDA served as a development consultant on the United House, Prairie Apartments, and Washington Park Apartments projects mentioned above.

Project Name: UMCS Phase III

Location: 3800 W. Lisbon Ave.

Service Provider: UMCS

Number of Units: 24 scattered site units

Total Project Cost: $5,337,071 for all units. $2,169,636 for the 10 unit supportive housing multi-family building

Tax Credits: $4,031,159 (awarded previously)

CHTF (County) Contribution: $100,000 (recommended)

Other Assistance:

- Five County Project-Based rent assistance vouchers.
- Developer has applied for City of Milwaukee Neighborhood Stabilization Program funds.

All zoning requirements have been through the City of Milwaukee and occupancy is expected in June 2012.

Recommendation

It is recommended that the County Board of Supervisors approve an allocation of $100,000 from the County Housing Trust Fund to UMCS to support development of this project. The actual allocation of funds from the CHTF will occur only when the developer provides evidence to the county indicating that it has obtained all other commitments of financial resources for the project.

It is recommended that the County Board of Supervisors authorize the Interim Director, Department of Health and Human Services, or designee, to negotiate and execute an agreement with the developer to ensure compliance with the terms and conditions governing the use of trust fund monies and to accomplish such other objectives as will best serve the county and its clients.

Fiscal Effect

Sufficient funding authorization exists to provide the recommended amount of CHTF funds. Loan repayment, which is the interest paid back annually to the State to access the Trust Fund dollars, is included in the County's annual budgeted debt service schedule.

Geri L. Lyday

Geri Lyday, Interim Director
Department of Health and Human Services

cc: Marvin Pratt, Interim County Executive
Terrence Cooley, Chief of Staff – County Board
John Ruggini, Interim Fiscal & Budget Administrator
Anionette Thomas-Bailey, Analyst -DAS
Jennifer Collins – County Board Staff
Jodi Mapp – Committee Clerk

File No.
(Journal,)

(ITEM) From the Interim Director, Department of Health & Human Services, Requesting County Board Approval to Allocate $100,000 of Financing from the County Special Needs Housing Trust Fund to United Methodist Children's Services for the Supportive Housing Development to be Known as UMCS Phase III

A RESOLUTION

WHEREAS, the County Board adopted Resolution 07-74 which approved criteria for the allocation of budgeted appropriations for housing for persons with mental illness; and

WHEREAS, UMCS has requested a grant of $100,000 from the County's SNHP, for the UMCS Phase III project, that would provide five permanent supportive housing units for Milwaukee County behavioral health clients; and

WHEREAS, the Department of Administrative Services prepared a due diligence report based on the requirements in Section 7.92 of the Administrative Procedures; and

WHEREAS, based on the criteria approved in 2007 in Resolution 07-74 the UMCS Phase III project would qualify for $100,000 from the County's SNHP; NOW THEREFORE,

BE IT RESOLVED, that the Interim Director, DHHS, or designee, is authorized to negotiate and execute an agreement with the developer which ensures compliance with the terms and conditions governing the use of funds from the County's SNHP and which accomplishes such other objectives as will best serve the county and the housing needs of our behavioral health system's consumers, and be it

FURTHER RESOLVED, that based on the requirements set forth in Resolution 07-74, UMCS receives a grant of $100,000 for the UMCS Phase III project contingent on the following:

- Development agreement includes language that specifies that five units would house BHD clients.
- UMCS will provide an annual report to the County relating to the number of BHD clients living at UMCS Phase III.
- Development agreement includes language that specifies that if for some reason the building or land is sold, the County will recover 10% of the sale proceeds or $100,000, whichever is more; and be it

FURTHER RESOVLED, that if for any reason UMCS is unable to obtain the funding for the total project costs, including fees and other charges, the $100,000 grant from the SNHP will be returned to Milwaukee County.

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 3/24/11

Original Fiscal Note ☒

Substitute Fiscal Note ☐

SUBJECT: From the Interim Director, Department of Health & Human Services, Requesting County Board Approval to Allocate $100,000 of Financing from the County Special Needs Housing Trust Fund to United Methodist Children's Services for the Supportive Housing Development to be Known as UMCS Phase III

FISCAL EFFECT:

- ☒ No Direct County Fiscal Impact
- ☐ Existing Staff Time Required
- ☒ Increase Operating Expenditures (If checked, check one of two boxes below)
- ☐ Absorbed Within Agency's Budget
- ☐ Not Absorbed Within Agency's Budget
- ☐ Decrease Operating Expenditures
- ☒ Increase Operating Revenues
- ☐ Decrease Operating Revenues
- ☐ Increase Capital Expenditures
- ☐ Decrease Capital Expenditures
- ☐ Increase Capital Revenues
- ☐ Decrease Capital Revenues
- ☐ Use of contingent funds

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	100,000	0
	Revenue	100,000	0
	Net Cost	0	0
Capital Improvement Budget	Expenditure		
	Revenue		
	Net Cost		

DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated. [1] If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.

D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

A. The Interim Director, Department of Health and Human Services, is requesting County Board approval to allocate $100,000 of financing from the County's Allocation of State Trust fund dollars to UMCS for the Supportive Housing Development to be known as UMSC Phase III.

This project will be a continuation of Washington Park Apartments, a supportive housing development previously funded by the Housing Trust Fund. This development set aside ten units for Behavioral Health Division consumers.

B. This expenditure of $100,000 is 100% offset by revenue from the County's allocation of State Trust
Fund dollars.

C. There is no tax levy impact associated with the approval of this request.

D. No assumptions are made.

[1] If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

Department/Prepared By James Mathy, Housing Division

Authorized Signature Geri L. Lyday

Did DAS-Fiscal Staff Review? ☐ Yes ☒ No

COUNTY OF MILWAUKEE

Inter-Office communication

Date: March 30, 2011

To: Supervisor John Thomas, Vice-Chair, Finance and Audit Committee
Supervisor Peggy West, Chair, Health and Human Needs Committee

From: Maria Ledger, Interim Executive Director, Department of Family Care

Subject: MCDFC Income Statement for the period January 1, 2010 through December 31, 2010

The attached report summarizes the Milwaukee County Department of Family Care (MCDFC) income statement of the Managed Care Organization (MCO) for the period January 1, 2010 through December 31, 2010. In addition, it identifies the variance of actual results to the 2010 adjusted budget. The actual amounts are as of final year-end close (period 14-3) and subject to the annual audit. The budget amounts reflect the cumulative monthly budget for the year.

The MCO is showing a preliminary (subject to audit) actual Net Income of $2,786,821 for the calendar year 2010. Comparing this to the adjusted budget Net Income of $105,672 creates a positive Net Income Budget Variance of $3,166,015. While preliminary results through December show actual revenues and actual expenditures higher than those in the adjusted budget, the variance in revenues is higher and thereby offsets any unfavorable expenditure variance.

During calendar year 2010 the MCDFC-MCO served an average of 7,383 members. Enrollment as of December 31, 2010 was 7,580 members, a net increase of 516 members from the December 31, 2009 of 7,064 members.

If you have questions concerning the attached income statement, please contact Interim Executive Director Maria Ledger at 287-7610.

Attachment

Cc: County Executive Marvin Pratt
E. Marie Broussard
Chairman Lee Holloway
Stephen Cady
Jennifer Collins
Jodi Mapp
John Ruggini
Toni Thomas-Bailey
Jim Hodson

Milwaukee County Deparment of Family Care - Managed Care Organization Income Statement
For the period of January 1 through December 31, 2010

Revenues	1/1/10 - 12/31/10 Actual		1/1/10 - 12/31/10 Adjusted Budget
Capitation Revenues	$235,672,387	(1)	$230,908,229
Member Obligation Revenues	$27,980,716		$27,942,047
Other Revenues	$416,721		$267,050
Total Revenues	**$264,069,824**		**$259,117,326**
Expenses			
Member Service Expenses	$243,900,182		$240,973,651
Administrative Expenses:			
---Labor & Fringes	$7,185,120	(2)	$7,441,976
---Vendor Contracts	$3,986,108		$4,098,870
---Cross Charges/internal transfers (Note 2)	$2,230,951		$2,294,898
---Other expenses (supplies, mileage, etc.)	$3,980,643	(3)	$3,733,774
--- Est. contribution to reserve			$953,351
Total Expenses	**$261,283,003**		**$259,496,520**
Net Surplus/(Deficit)	**$2,786,821**		**($379,194)**

December 2010 CMO Enrollment:	
Nursing Home (Comprehensive):	
59 and Under	1,162
60 and Over	6,366
Non-Nursing Home (Intermediate):	
59 and Under	12
60 and Over	41
Total Members Served - 12/31/2010	7,580

Note (1): The above results reflect an accrual to increase capitation revenue for new expansion members (I.e., waiver program) based on an increase in acuity (i.e. members requiring higher care plan needs) as measured by the long-term functional screen. During 2010 the Department of Family Care (MCDFC) received $2,046,495 for payments related to 1st and 2nd quarters of 2010. An accural estimate of $5,472,037 in gross revenue has been recorded for 3rd & 4th quarters; however, due to recent State of Wisconsin budget changes, the Department has conservatively recorded only 75% of this revenue and has established an offsetting allowance for $1,368,010.

Note (2): The Department recorded an additional $415,863 in PTO expense and removed any remaining liability for unaccrued PTO expenses for prior years to fulfill the requirements of GASB statement no 16.

Note (3): Variance from budget is attributed to the move of the Department of Family Care from the Ruess building to the courthouse and Underwood Wil-O-Way locations. Total cost of the move was $222,200.

Note: The above financial summary represent actual results as of the reporting date, however, the results can change due to changes occurring in member service utilization (IBNR), outstanding receivables, internal charges or other regulatory changes. Any change from a prior period is accounted for in the year-to-date aggregate results. Prior period reporting is not restated.

COUNTY OF MILWAUKEE
Inter-Office communication

Date: March 30, 2011

To: Supervisor John Thomas, Vice-Chair, Finance and Audit Committee
Supervisor Peggy West, Chair, Health and Human Needs Committee

From: Maria Ledger, Interim Executive Director, Department of Family Care

Subject: MCDFC Income Statement for the period January 1, 2011 through February 28, 2011

The attached report summarizes the Milwaukee County Department of Family Care (MCDFC) income statement of the Managed Organization (MCO) for the period January 1, 2011 through February 28, 2011. In addition, it identifies the variance of actual results to the 2011 adjusted budget. The actual amounts are preliminary (see recurring Note on the attached MCDFC-MCO income statement for further information). The budget amounts reflect the cumulative monthly budget for the year.

The MCO is showing a preliminary actual Net Income of $2,786,821 for the first two months of 2011. Comparing this to the adjusted budget Net Income of $984,656 creates a positive Net Income Budget Variance of $984,656. While preliminary results through February show actual revenues and actual expenditures higher than those in the adjusted budget, the variance in revenues is higher and thereby offsets any unfavorable expenditure variance.

MCO enrollment as of February 28, 2011 was 7,573 members, a net decrease of 7 members from the December 31, 2010 of 7,580 members enrolled.

If you have questions concerning the attached income statement, please contact Interim Executive Director Maria Ledger at 287-7610.

Attachment

Cc: County Executive Marvin Pratt
E. Marie Broussard
Chairman Lee Holloway
Stephen Cady
Jennifer Collins
Jodi Mapp
John Ruggini
Toni Thomas-Bailey
Jim Hodson

MCDFC-MCO Income Statement
For the period of January 1 through February 28, 2011

Revenues	1/1/11 - 2/28/11 Actual	1/1/11 - 2/28/11 Adjusted Budget
Capitation Revenues	$41,047,408	$40,394,486
Member Obligation Revenues	$4,880,333	$4,418,016
Contribution from Reserve	$0	$195,314
Other Revenues	$39,005	$38,649
Total Revenues	**$45,966,746**	**$45,046,465**
Expenses		
Member Service Expenses	$42,969,297	$41,995,049
Administrative Expenses:		
---Labor & Fringes	$811,749	$1,423,588
---Vendor Contracts	$506,221	$795,119
---Cross Charges/internal transfers	$249,445	$230,462
---Other expenses (supplies, mileage, etc.)	$445,378	$602,247
--- Est. contribution to reserve		
Total Expenses	**$44,982,090**	**$45,046,465**
Net Surplus/(Deficit)	**$984,656**	**$0**

February 2011 CMO Enrollment:

Nursing Home (Comprehensive):	
59 and Under	1,204
60 and Over	6,318
Non-Nursing Home (Intermediate):	
59 and Under	11
60 and Over	40
Total Members Served - 2/28/11	**7,573**

Note: The above financial summary represent actual results as of the reporting date, however, the result can change due to changes occurring in member service utilization (IBNR), outstanding receivables, internal charges or other regulatory changes. Any change from a prior period is accounted for in the year-to-date aggregate results. Prior period reporting is not restated.

04-14-11 FINANCE AND AUDIT COMMITTEE APPROPRIATION TRANSFERS
A DEPARTMENTAL - RECEIPT OF REVENUE File No. 11-1
(Journal, December 16, 2010)

Action Required
Finance Committee
County Board (2/3 Vote)

WHEREAS, department requests for transfers within their own accounts have been received by the Department of Administrative Services, Fiscal Affairs, and the Director finds that the best interests of Milwaukee County will be served by allowance of such transfers;

THEREFORE, BE IT RESOLVED, that the Director, Department of Administrative Services, is hereby authorized to make the following transfers in the 2011 appropriations of the respective listed departments:

			From	To
1)	1000 - County Board			
	6999	– Sundry Services		$6,165
	4999	– Other Misc. Service	$6,165	

The County Board is requesting a fund transfer to recognize additional revenue and to increase expenditure authority relating to a grant received from Sister Cities International.

This grant is for $115,000 for the Africa Urban Poverty Alleviation Program (AUPAP), funded by the Bill and Malinda Gates Foundation. The grant is to perform projects that address sanitation, health and water issues in urban areas of Africa. Milwaukee County has a long-standing Sister Cities relationship with Buffalo City, South Africa, where the AUPAP program would take place. Under the terms of the agreement with Sister Cities International, Milwaukee County receives $10,000 to support program administration, 75% (or $7,500) initially and the remaining 25% after successful submission of final narratives and financial reports approved by Sister Cities International. In addition, $115,000 is made available to pay directly for expenditures related to the project; these funds are not processed through the County budget.

The only expenses used during 2010 were for the Sister Cities Conference in August 2010. The grant period was extended in 2010. The new date for the grant period goes through May 2012.

This fund transfer has no tax levy impact.

TRANSFER SUBMITTED TO THE COUNTY EXECUTIVE 04/06/11.

		From	To
2)	4000 – Office of the Sheriff		
	2299 – Other State Grants & Revs	$16,582	
	8213 – Purchase of Services		$16,582

An appropriation transfer of $16,582 is requested by the Office of the Sheriff to recognize revenues from a grant from the Wisconsin Office of Justice Assistance to provide a residential substance abuse program at the County Correctional Facility – South. The transfer would increase expenditure authority to purchase substance abuse counseling services through a contract.

The Office of the Sheriff was notified late in 2010 of the grant award, which must be expended by March 31, 2012 and which requires a County match of $5,528 (25 percent). The local match will be provided through existing expenditure authority. The program, which is provided by Attic Correctional Services (Attic), provides substance abuse treatment and intervention services intended to help inmates reduce drug abuse and thereby reduce recidivism. The grant funding would provide supplemental resources to the existing program provided by Attic. The transfer has no levy impact.

TRANSFER SUBMITTED TO THE COUNTY EXECUTIVE 04/06/11.

		From	To
3)	507 – DTPW Transportation Services		
	2299 – Other State Revenue	$150,000	
	8528 – Major Maint. Land Impr (Exp)		$150,000

An appropriation transfer of $150,000 is requested by the Director of the Department of Transportation and Public Works (DTPW) to recognize revenue from a grant from the Wisconsin Department of Transportation (WisDOT) and establish expenditure authority for a traffic mitigation program.

Under the funding agreement with WisDOT, DTPW will implement a project to mitigate the impacts on traffic of the I-94 North-South Freeway reconstruction project, ranging from College Avenue on the South to Loomis Road on the West to Howard Avenue on the East. Activities that will be undertaken by DTPW include coordinating efforts with project managers and affected municipalities, fixing or updating stoplights to handle increased traffic flow, re-marking roadways, improving pedestrian crossings, etc.

The grant funding will be provided on a reimbursement basis and will cover a two-year period from January 1, 2011 to December 31, 2012. There is no tax levy effect.

TRANSFER SUBMITTED TO THE COUNTY EXECUTIVE 04/06/11.

		From	To
4) 508 – DTPW Architectural Engineering & Environmental Services			
2999	– Revenue from Other Govt. Agencies	$45,000	
8528	– Major Maint. Land Impr (Exp)		$45,000

An appropriation transfer of $45,000 is requested by the Director of the Department of Transportation and Public Works (DTPW) to recognize revenue resulting from a multi-year agreement between Waste Management of Wisconsin, Inc (Waste Management) and the Metro Landfill Negotiating Committee (of which Milwaukee County is a member), and to increase expenditure authority for solid waste program operations.

In 2010, pursuant to pursuant to State Statute 289.22, Waste Management reached an agreement with the Metro Landfill Negotiating Committee to compensate member municipalities impacted by the planned expansion of the Metro Landfill in the southwest corner of Franklin. During the September 2010 Board cycle the County Board adopted a resolution (03-249) that ratifies this agreement and directs the annual revenues from this agreement to the operating budget of the DTPW Architecture, Engineering and Environmental Services (AE & ES) Division. According to the terms of the agreement, the compensation will be $45,000 annually until the expansion is complete (estimated sometime in 2013), after which it will be determined by a formula based on the volume of waste deposited at the site. The County can use the funds for solid waste management activities, such as operating the closed landfill sites, recycling activities or repair of County-owned roads near the landfill that are affected by truck traffic. In 2011, the AE & ES Division has entered into an agreement with Keep Greater Milwaukee Beautiful to analyze the County's recycling efforts and make recommendations for improvements, a project that will be funded with these proceeds.

This transfer increases expenditure authority in the Environmental Services section within AE & ES for solid waste operations and recycling programs. The transfer has no levy impact.

TRANSFER SUBMITTED TO THE COUNTY EXECUTIVE 04/06/11.

			From	To
5) 7991 CMO Administration				
6509	–	Building and Space Rental		$36,000
7910	–	Office Supplies		20,000
6149	–	Prof. Serv. Non-Recur Operation		35,000
4707	–	Contribution From Reserves		37,810
7992 Training & Development				
5199	–	Salaries & Wages Budget		$24,061
5312	–	Social Security		1,841

			From	To
4707	–	Contribution from Reserves		21,486
7993 Business Operations				
5199	–	Salaries & Wages Budget		$153,949
5312	–	Social Security		11,777
4707	–	Contribution from Reserves		181,740
7994 Quality Improvement				
5199	–	Salaries & Wages Budget		$35,230
5312	–	Social Security		2,695
4707	–	Contribution from Reserves		63,016
7995 Care Management Units				
5199	–	Salaries & Wages Budget		$ 42,376
5312	–	Social Security		3,242
8126	A6PC	CMO Services- Personal Care		1,190,607
8126	A6DA	CMO Services- Day Services		602,325
8126	A6RC	CMO Services- Residential Services		3,719,547
8126	A6SH	CMO Services- Supportive Home Care		1,334,423
4707	–	Contribution from Reserves		838,722
3726	A6CC	Care Mgmt. Org Capitation	$7,213,073	
3726	A6CC	Care Mgmt. Org Capitation	1,142,774	

The Interim Director of the Department of Family Care requests a fund transfer of $8,355,847 to recognize revenue due to an increase in the 2011 capitation rate, to realign revenues and expenditures, and to eliminate the need to access the Department of Family Care reserves.

On December 16, 2010, the County Board Adopted resolution File No. 10-410, authorizing the County Executive to execute a contract with the Wisconsin Department of Health Services to enable the Milwaukee County Department on Aging to serve as a Care Management Organization (CMO), under Family Care for the period January 1 through December 31, 2011 and to accept the funding provided there under. This authorization extends to the Department of Family Care.

The 2011 Adopted Budget for the Department of Family Care was based on 2010 capitation rates and service provider rates for revenues and expenditures. The new capitation rate is a blended rate, which is used for the 18 and older populations. This rate was determined by factoring in a two-year inflationary trend, administration allowance, and 2009 expenses for specific target groups such as, the Developmentally Disabled, Physically Disabled, and the Frail Elderly. The new capitation rate results in an increased rate in Nursing Home Level of Care of 4.6%, resulting in increased revenue of $8,355,847.

This increase in revenue is offset by the following anticipated expenditure increases totaling $7,213,073:

- $275,171 in salaries & wages and social security costs related to the department's approved furlough exemption
- $36,000 for the lease of Wil-O-Way Underwood Recreation Center where 20 Family Care employees are currently located
- $20,000 for office supplies
- $35,000 for a professional services contract with Baker and Tilly for audit fees
- $1,190,607 in provider increases for Personal Care
- $602,325 for Day Services
- $3,719,547 for Residential Services
- $1,334,423 in Supportive Home Care.

In addition, the Department's 2011 Adopted Budget included a transfer from the reserves of $1,142,774. Due to the receipt of additional revenue related to the capitation rate, the department no longer needs to transfer funds from the reserve account.

This transfer would appropriately realign revenues and expenditures within the department. There is no tax levy impact as a result of this fund transfer.

TRANSFER SUBMITTED TO THE COUNTY EXECUTIVE 04/06/11.

2011 BUDGETED CONTINGENCY APPROPRIATION SUMMARY

2011 Budgeted Contingency Appropriation Budget		$8,650,000
Approved Transfers from Budget through March 17, 2011		
1950 - Acturial Services for Pension Related Matters (File No. 11-136/11-142)	$	(50,000)
4000 - Unspent 2011 Funds Allocated for the WI Comm Svcs Contract (File No. 11-12(a)(a)/11-150)	$	291,135
Unallocated Contingency Balance March 17, 2011	$	8,891,135
Transfers Pending in Finance & Audit Committee through 04/14/11		
Total Transfers Pending in Finance & Audit Committee	$	-
Net Balance	**$**	**8,891,135**

h:budget/docbdgt/finance/contingency.xls

04-14-11 FINANCE AND AUDIT COMMITTEE APPROPRIATION TRANSFERS
B CAPITAL IMPROVEMENTS File No. 11-1
(Journal, December 16, 2010)

Action Required
Finance Committee
County Board (Majority Vote)

WHEREAS, your committee has received from the Department of Administrative Services, Fiscal Affairs, departmental requests for transfer to the 2011 capital improvement accounts and the Director finds that the best interests of Milwaukee County will be served by allowance of such transfers;

THEREFORE, BE IT RESOLVED, that the Director, Department of Administrative Services, is hereby authorized to make the following transfers in the 2011 capital improvement appropriations:

			From	To
1)	WA165011 GMIA Taxiway B Segment Reconstruction			
	8527 –	Land Improvements (CAP)		$827,000
	2699 –	Other Fed Grants & Reim		$1,605,000
	2299 –	Other State Grants & Reim	$2,106,100	
	4707 –	Contribution from Reserves	$325,900	

An appropriation transfer of $2,432,000 is requested by the Director of the Department of Transportation and Public Works (DTPW) to provide additional expenditure authority, and revenues, and to realign existing revenues for capital project WA165011 – GMIA Taxiway B Segment Reconstruction.

A December 2010 appropriation transfer established $2,140,000 of expenditure authority and revenue for the creation of Project WA165011. The project was being created in order to resurface a segment of Taxiway B, which borders runway 7R/25L and is used by aircraft that utilize the runway. According to the department, the asphalt surface of the taxiway is nearing the end of its useful life and has become damaged by water runoff that has been exacerbated by minor flooding that occurred in 2010. The scope of the project included the replacement of the degraded asphalt surface with a concrete surface that will match the bordering runway and apron.

Subsequent to the approval of the appropriation transfer, it was discovered that a wingspan restriction on this taxiway could be eliminated if the taxiway could be shifted slightly to the north by approximately forty-five feet. Eliminating the wingspan restriction on the taxiway would allow more aircraft to utilize the taxiway and relieves the air traffic controllers from monitoring the taxiway for wing span restrictions to other concerns around the airfield. As a result of the proposed shift of the taxiway, a new swing gate at the current vehicle checkpoint north of the taxiway location will be needed to allow it to open and close without violating the taxiway safety area. In addition, security cameras and storm sewers will also need to be relocated. This fund transfer requests an additional $827,000 of expenditure authority to perform work associated with the shift of the taxiway.

This appropriation transfer also requests to change the financing from 75% Federal Airport Improvement Program (AIP) Revenue, 12.5% State Revenue, and 12.5% Contribution from the Airport Capital Improvement Reserve

Account to 80% State Revenue and 20% Contribution from the Airport Capital Improvement Reserve Account. The Airport Capital Improvement Reserve Fund will be replenished when PFC funds for the project are approved. The Airport has submitted PFC Application No. 17 for approval from the Federal Aviation Administration (FAA). Final approval for PFC application #17 is anticipated in late 2011 or early 2012. The change from Federal Revenue to State Revenue was made because Airport staff was informed by the FAA that the Federal funds would not be made available until late August, which would result in construction work not being able to be completed in 2011. Because of the nature of the Federal discretionary AIP revenue the airport is not able to begin any work until the grant is received. Airport staff has provided documentation from the Wisconsin Department of Transportation that indicates that State Revenue will be available for the project to begin construction in June.

TRANSFER SUBMITTED TO THE COUNTY EXECUTIVE 04/06/11.

04-14-11 FINANCE AND AUDIT COMMITTEE APPROPRIATION TRANSFERS
C DEPARTMENTAL – OTHER CHARGES File No. 11-1
(Journal, December 16, 2010)

Action Required
Finance Committee
County Board (Majority Vote)

WHEREAS, department requests for transfers within their own accounts have been received by the Department of Administrative Services, Fiscal Affairs, and the Director finds that the best interests of Milwaukee County will be served by allowance of such transfers;

THEREFORE, BE IT RESOLVED, that the Director, Department of Administrative Services, is hereby authorized to make the following transfers in the 2011 appropriations of the respective listed departments:

				From	To
1)	7995 - Care Management Units				
	8127	–	Training/Best Practice		$27,047,950
	8126	A6CM	Care Mgmt Org. Services	$27,047,950	

A transfer of $27,047,950 is requested by the Interim Director, Department of Family Care to realign expenditures within the department.

On December 16, 2010, the County Board Adopted resolution File No. 10-410, authorizing the County Executive to execute a contract with the Wisconsin Department of Health Services to enable the Milwaukee County Department on Aging to serve as a Care Management Organization (CMO), under Family Care for the period January 1 through December 31, 2011 and to accept the funding provided there under. This authorization extends to the newly created Department of Family Care.

Training and Best Practices is a purchase of service contract that is used to provide quality control services to the department. In the 2011 Adopted Budget, the funds for this contract were budgeted in Care Management Org Services (8126). This transfer realigns the expenditures in the proper line item account, by reducing expenditures in Care Mgmt Org Services by $27,047,950 and increasing expenditures in Training/Best Practices by the same amount.

This transfer would realign expenditures within the department and there would be no tax levy impact as a result of this transfer.

TRANSFER SUBMITTED TO THE COUNTY EXECUTIVE 04/06/11.

			From	To
2)	9000 - Department of Parks, Recreation and Culture			
7935	–	Law Enforcement & Public Safety Supplies		$25,000
0888	–	Parks Security Trust Fund	$25,000	

The Director of Parks, Recreation and Culture is requesting a fund transfer of $25,000 from the Security Trust Fund to update security surveillance systems.

The Parks Department wants to replace outdated and non-functioning surveillance systems at the Mitchell Park Domes, Kosciuszko and King Community Centers. The new surveillance systems will assist the Department in prevention and enforcement of vandalism. The updated systems will include new DVRs and replacement of non-functioning cameras. Any unspent balance will revert back to the Trust Account at the end of the year.

This fund transfer has no tax levy impact.

TRANSFER SUBMITTED TO THE COUNTY EXECUTIVE 04/06/11.

			From	To
3)	9000 - Department of Parks, Recreation and Culture			
7010	–	Agr Botanical Supplies		$25,000
6620	–	R/M Grounds		50,000
0892	–	MMSD Ecological Trust Fund	$75,000	

The Director of Parks, Recreation and Culture is requesting a fund transfer of $75,000 from the MMSD Ecological Trust Fund to pay for the development and implementation of a restoration landscaping plan for the open space land at the County Grounds.

As part of the UWM land sale the Parks Director was authorized and directed to develop and implement a restoration landscaping plan that will maintain the natural butterfly habitats. The project was to be paid for out of the Milwaukee Metropolitan Sewerage District (MMSD) Ecological Trust Fund. In December 2009 the Parks Department submitted a restoration plan, which was approved by the County Board.

In March 2010 the County Board approved a fund transfer of $150,000 from the MMSD Ecological Trust Fund. During 2010 approximately $87,000 was spent on seeding 50 acres of land on the County Grounds. The remaining balance of $62,980 reverted back to the Trust account at the end of 2010. In order to continue the work in 2011 the Parks Department is requesting a transfer of $75,000. Any unspent balance will revert back to the Trust Fund at the end of the year.

This fund transfer has no tax levy impact.

TRANSFER SUBMITTED TO THE COUNTY EXECUTIVE 04/06/11.

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

Date: March 18, 2011

To: Supervisor Lee Holloway, Chairperson, County Board of Supervisors
Supervisor Michael Mayo, Sr., Chairperson, Transportation, Public Works Committee

From: Jack H. Takerian, Director of Transportation and Public Works

Subject: **Guaranteed Energy Savings Performance Contracting (GESPC) to Repair County Building Infrastructure – Revised Proposal from Johnson Controls, Inc. Project # 5081-8479**

POLICY

The Director of Transportation and Public Works is requesting authorization to prepare, review, approve and execute all contract documents as required to hire Johnson Controls Inc. (JCI), an Energy Services Company (ESCO) previously approved as qualified by the County Board, to provide Phase 2 Guaranteed Energy Savings Performance Contracting (GESPC) to repair and renew Milwaukee County building infrastructure based on the energy audits performed at selected County facilities and as described in a previous report from the Department of Transportation and Public Works (DTPW) to the County Board.

BACKGROUND

In the July 2008 County Board cycle DTPW submitted to the TPW/T Committee a report that recommended which buildings should be considered as part of the 20% of all County buildings to be audited in 2009 for potential GESPC in keeping with the "Green Print" resolution. DTPW requested proposal from the 3 qualified ESCOs to perform the Technical Energy Audits (TEA) in 2009.

In the September 2008 County Board cycle, the County Board approved a funding source for conducting the TEAs for the County-owned buildings listed in the report. In January 2010 DTPW submitted a recommendation to the County Board on 3 GESPC contracts, including contracts from Honeywell, AMERESCO and JCI. In March 2010 the Department of Administrative Services (DAS) submitted a "Due Diligence" report to the County Board on all 3 contracts and a recommendation for the GESPC Financing. The County Board authorized execution of the contracts for Honeywell and AMERESCO.

However, the GESPC contract with JCI was not authorized due to "due diligence" issues regarding the replacement of heating and cooling systems based on natural gas rather than steam. This report requests approval for a revised GESPC contract having a reduced scope of work that does not involve any change from the existing basic steam based heating and cooling systems.

JCI performed TEAs at the Children's Court Center, Fleet Management and the Parks Administration building.

The TEA included a Guaranteed Energy Savings Performance Contract (GESPC) project development scenario. The TEA contract commits Milwaukee County to enter into a GESPC if the ESCO provides, to the satisfaction of the project team, that the program developed illustrates that energy and water use savings can be attained to meet the County's terms. The cost of the work to generate the TEA will be rolled into the cost of the GESPC. Once this provision has been met by the ESCO, should Milwaukee County decide not to proceed with a GESPC, the County is required to reimburse the ESCO for expenses actually incurred during the Technical Energy Audit Contract. Considering the square footage of the building list in this contract, this reimbursement could amount to a total of $55,000.

The TEA by JCI was completed in May of 2009 and revisited recently in 2011. The audit contains a preliminary program development for the facilities in the assigned building grouping. The ESCO indicated that they believe there is more than enough energy and water use savings among the buildings they audited to pay for the implementation or construction of the Energy Conservation Measures (ECMs) recommended in the program development.

The details of the implementation of the Energy Conservation Measures (ECM) at each facility and standard contract terms and conditions for the GESPC contract has been reviewed and tentatively agreed to by the ESCO and County staff, including Parks, DTPW, Corporation Counsel, Risk Management and DAS Fiscal personnel.

A summary of the proposed costs for the ESCO proposal is as follows:

JCI: Estimated Implementation Cost of $1.8 million
(See attached scope of work)

DAS Fiscal Affairs plans to submit an additional informational report to the County Board in March 2011 to provide a summary of the "due diligence" analysis performed by DAS for this GESPC proposals.

The current schedule for this process is as follows:

Energy Performance Contract (GESPC) Phase 2 - revised timeline is as follows:

Recommendation to County Board on GESPC Contracts - DTPW	March 2011
Approval contingent on the satisfactory "Due Diligence" by DAS	
"Due Diligence" Informational Report to County Board - DAS	March 2011
Recommendation of GESPC Financing to County Board - DAS	March 2011
Phase 2 Energy Performance Contract (GESPC) Implementation	April 2011

Milwaukee County's goal is 25% DBE subcontractor participation on any subsequent GESPC to be awarded as an outcome of this contract. GESPC documents will contain pertinent and current DBE, AA and EEO policy requirements. The specified DBE participation forms will be received and approved by the CBDP office prior to GESPC award by the County.

The County Board also authorized in 2009 that TEAs be performed at City Campus, the 5 Senior Centers and the 2 Wil-O-Way facilities. Originally, these facilities were assigned to Honeywell Inc., another approved ESCO. Currently Honeywell is working on a $2.7 million GESPC at the Courthouse Complex. At this time, DTPW also requests authorization to assign to JCI the TEA and development of a GESPC proposal for City Campus, the 5 Senior Centers and the 2 Wil-O-Way facilities based on JCI's excellent previous work at the Zoological Gardens and in order to expedite the implementation of Energy Conservation Measures (ECMs) at these other facilities. When these new GESPC proposals are complete, DTPW will submit a report to the County Board to request authorization to enter into contracts upon completion of the required "due diligence".

RECOMMENDATION

The Director of Transportation and Public Works respectfully submits a recommendation to the County Board to adopt a resolution that provides the following:

Authorization for the Director of Transportation and Public Works to prepare, review, approve and execute all contract documents as required to hire JCI, an ESCO previously approved by the County Board, to provide Phase 2 Guaranteed Energy Savings Performance Contracting (GESPC) to repair and renew Milwaukee County building infrastructure based on the energy audits performed at selected County facilities. **This authorization is contingent on the satisfactory "Due Diligence" performed by DAS on each GESPC proposal.**

Prepared by: Gregory G. High

Approved by:

Jack H. Takerian, Director
Transportation & Public Works

Gregory G. High
Director, AE&ES Div., DTPW

Attachment: Scope of Work for JCI proposed GESPC

cc: Marvin Pratt, County Executive
E. Marie Broussard, Deputy Chief of Staff
Pam Bryant, Capital Finance Manager, Administration & Fiscal Affairs Division, DAS
Scott Manske, Controller, Accounts Payable Division, DAS
John Schapekahm, Corporation Counsel
Sarah Jankowski, Fiscal Mgt. Analyst, Administration & Fiscal Affairs Division/DAS

FIM#	FIM NAME	COST	
CCC-1	Install Stand alone chiller Plant	$0	
CCC-2	Install stand along boiler plant	$0	
CCC-3	Convert to Metasys Extended Architecture & Schedule Air Handling Units	$114,504	
CCC-4	Upgrade existing controls system with Facility Performance Indexing(FPI) system	$19,905	
CCC-5	Convert existing AHU-15 pneumatic controls to DDC controls	$37,933	
CCC-6	Install 5kW PhotoVoltaic system for power generation	$0	
CCC-7	Install solar thermal domestic hot water heating system	$124,855	
CCC-8	Provide new electronic ballast for existing lighting(verify)	$261,177	
CCC-9	Provide parking lot LED lighting	$113,396	
CCC-10	Upgrade existing plumbing fixtures with low flush fixtures	$38,212	
CCC-11	Installing Vending Miser on vending machines.	$1,348	
	Total of Childrens Court Center		$711,330
G-1	Install stand along boiler plant	$0	
G-2	Convert to Metasys Extended Architecture	$173,901	
G-3	Setback temperature in garage during unoccipied hours	$65,210	
G-4	Provide destratification fans in garage areas	$42,614	
G-5	Provide VSD on secondary hot water pump	$32,600	
G-6	Install 10kW PhotoVoltaic system for power generation	$114,698	
G-7	Upgrade garage Lighting with new energy efficient lighting	$412,292	
G-8	Provide parking lot LED lighting	$127,609	
G-9	Upgrade existing plumbing fixtures with low flush fixtures	$21,600	
G-10	Installing Vending Miser on vending machines.	$1,348	
	Total of Garage		$991,872
PAB-1	Install stand along boiler plant	$0	
PAB-2	Installing Vending Miser on vending machines.	$1,348	
	Total of Park		$1,348
	SUB-TOTAL	$1,704,550	

MKE County Management Services		$50,000
Project Contingency	$	55,000
TOTAL	$	1,809,550

File No.
Journal

(ITEM ____) From the Director of Transportation and Public Works, requesting authorization to prepare, review, approve and execute all contract documents as required to hire Johnson Controls Inc. (JCI), an Energy Services Company (ESCO) previously approved as qualified by the County Board, to provide Phase 2 Guaranteed Energy Savings Performance Contracting (GESPC) to repair and renew Milwaukee County building infrastructure based on the energy audits performed at selected County facilities and as described in a previous report from the Department of Transportation and Public Works (DTPW) to the County Board in July of 2008, by recommending adoption of the following:

A RESOLUTION

WHEREAS, in the July 2008 County Board cycle DTPW submitted to the TPW/T Committee a report that recommended which buildings should be considered as part of the 20% of all County buildings to be audited in 2009 for potential GESPC in keeping with the "Green Print" resolution and DTPW requested proposals from the 3 qualified ESCOs to perform the Technical Energy Audits (TEA) in 2009 and in the September 2008 County Board cycle, the County Board approved a funding source for conducting the TEAs for the County-owned buildings listed in the report; and,

WHEREAS, in the September 2008 County Board cycle, the County Board approved a funding source for conducting the TEAs for the County-owned buildings listed in the report and in January 2010 DTPW submitted a recommendation to the County Board on 3 GESPC contracts, including contracts from Honeywell, AMERESCO and JCI and in March 2010 the Department of Administrative Services (DAS) submitted a "Due Diligence" report to the County Board on all 3 contracts and a recommendation for the GESPC Financing and the County Board authorized execution of the contracts for Honeywell and AMERESCO, and,

WHEREAS, the GESPC contract with JCI was not authorized due to "due diligence" issues regarding the replacement of heating and cooling systems based on natural gas rather than steam and this report requests approval for a revised GESPC contract having a reduced scope of work that does not involve any change from the existing basic steam based heating and cooling systems and JCI performed TEAs at the Children's Court Center, Fleet Management and the Parks Administration building, and,

WHEREAS, the TEA included a Guaranteed Energy Savings Performance Contract (GESPC) project development scenario and the TEA contract commits Milwaukee County to enter into a GESPC if the ESCO provides, to the satisfaction of the project team, that the program developed illustrates that energy and water use savings can be attained to meet the County's terms. The cost of the work to generate the TEA will be rolled into the cost of the GESPC. Once this provision has been met by the ESCO, should Milwaukee County decide not to proceed with a GESPC, the County is required to reimburse the ESCO for expenses actually incurred during the Technical Energy Audit Contract. Considering the square footage of the building list in this contract, this reimbursement could amount to a total of $55,000, and,

WHEREAS, the TEA by JCI was completed in May of 2009 and revisited recently in 2011 and the audit contains a preliminary program development for the facilities in the assigned building grouping and the ESCO indicated that they believe there is more than enough energy and water use savings among the buildings they audited to pay for the implementation or construction of the Energy Conservation Measures (ECMs) recommended in the program development and the details of the implementation of the Energy Conservation Measures (ECM) at each facility and standard contract terms and conditions for the GESPC contract has been reviewed and tentatively agreed to by the ESCO and County staff, including Parks, DTPW, Corporation Counsel, Risk Management and DAS Fiscal personnel, and,

WHEREAS, DAS Fiscal Affairs plans to submit an additional informational report to the County Board in March 2011 to provide a summary of the "due diligence" analysis performed by DAS for this GESPC proposals, and,

WHEREAS, Milwaukee County's goal is 25% DBE subcontractor participation on any subsequent GESPC to be awarded and GESPC documents will contain pertinent and current DBE, AA and EEO policy requirements and the specified DBE participation forms will be received and approved by the CBDP office prior to GESPC award by the County, and

WHEREAS, the County Board also authorized in 2009 that TEAs be performed at City Campus, the 5 Senior Centers and the 2 Wil-O-Way facilities. Originally, these facilities were assigned to Honeywell Inc., another approved ESCO and currently Honeywell is working on a $2.7 million GESPC at the Courthouse Complex and at this time, DTPW also requests authorization to assign to JCI the TEA and development of a GESPC proposal for City Campus, the 5 Senior Centers and the 2 Wil-O-Way facilities based on JCI's excellent previous work at the Zoological Gardens and in order to expedite the implementation of Energy Conservation Measures (ECMs) at these other facilities and when these new GESPC proposals are complete, DTPW will submit a report to the County Board to request authorization to enter into contracts upon completion of the required "due diligence", now, therefore, BE IT RESOLVED, that the Director of Transportation and Public Works is authorized to prepare, review, approve and execute all contract documents as required to hire JCI, an ESCO previously approved by the County Board to provide Phase 2 Guaranteed Energy Savings Performance Contracting (GESPC) to repair and renew Milwaukee County building infrastructure based on the energy audits performed at selected County facilities; and,

BE IT FURTHER RESOLVED, that this authorization is contingent on the satisfactory "Due Diligence" performed by DAS on the GESPC proposal.

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: March 21, 2011

Original Fiscal Note ☒

Substitute Fiscal Note ☐

SUBJECT: **Guaranteed Energy Savings Performance Contracting (GESPC) to Repair County Building Infrastructure – Revised Proposal from Johnson Controls, Inc.**
Project # 5081-8479

FISCAL EFFECT:

☒ No Direct County Fiscal Impact

☒ Existing Staff Time Required

☒ Increase Operating Expenditures
(If checked, check one of two boxes below)

☐ Absorbed Within Agency's Budget

☒ Not Absorbed Within Agency's Budget

☒ Decrease Operating Expenditures

☒ Increase Operating Revenues

☐ Decrease Operating Revenues

☐ Increase Capital Expenditures

☐ Decrease Capital Expenditures

☐ Increase Capital Revenues

☐ Decrease Capital Revenues

☐ Use of contingent funds

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure		
	Revenue		
	Net Cost		
Capital Improvement Budget	Expenditure		
	Revenue		
	Net Cost		

DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated. [1] If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

A. Authorization for the appropriate County staff to prepare, review, approve and execute all documents as required to hire a qualified firm to provide Guaranteed Energy Savings Performance Contracting (GESPC) to repair and renew Milwaukee County building infrastructure.

B. Net cost to the individual facility operating budget is zero. The most qualified performance contractor is selected and authorized by the County to develop a performance contract proposal, the performance contract will be awarded, contingent on the performance contract conditions guaranteeing that energy savings will cover all County costs for the project. This would include County project management services including review of the performance contract documents. quality assurance and control and construction management.

C. Energy cost savings realized after completion of the building system upgrades implemented under the performance contract provide funding to make payments for the work and associated building system service agreements over a 10 year period. Energy quantity savings are guaranteed by the contractor for the entire term of the agreement. If actual savings fall short of the guaranteed amount in any given year of the agreement, the performance contractor makes up the difference.

D. Efficiencies are realized using the operating budget money that would have gone to pay for energy bills to install and service new, efficient building systems (environmental controls, HVAC, electric power, lighting, fire/safety/security and communications) that provide an enhanced

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[1] If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

environment for employees and citizens in the course of providing government services and freeing up resources in the capital budget for other projects.

Department/Prepared By   Department of Transportation and Public Works Gary E. Drent

Recommended By:

Gregory G. High Director, AE& ES

Authorized Signature

Jack H. Takerian, Director DTPW

Did DAS-Fiscal Staff Review? ☒ Yes ☐ No

COUNTY OF MILWAUKEE
INTER-OFFICE COMMUNICATION

DATE: March 22, 2011

TO: Supervisor Lee Holloway, Chairman, County Board of Supervisors

FROM: Pamela Bryant, Capital Finance Manager, Department of Administrative Services

SUBJECT: **UPDATE ON DUE DILIGENCE REPORT REGARDING PHASE 2 GUARANTEED ENERGY SAVINGS PERFORMANCE CONTRACTING WITH JOHNSON CONTROLS**

Background

During the April 2010 County Board cycle the Department of Administrative Services (DAS) submitted due diligence reports for the second phase of performance contracting. A separate report was completed for the proposal submitted by Johnson Controls. The County Board requested further analysis on the Johnson Controls proposal relating to the replacement of steam heating systems currently used at various County Grounds facilities with natural gas boilers at each location.

In the October 2010 County Board cycle an updated report was provided by DAS that included information on long term rate agreements, alternatives to steam, maintenance costs associated with the new natural gas system and detailed information on the projected annual savings. The conversion from steam to gas would provide a substantial cost savings by switching to a less expensive energy source. However, since the savings was not based on a decrease in energy usage, and there was no guarantee that steam rates would remain much higher than natural gas rates, DAS recommended that this initiative be looked at as part of the Capital Improvements Program in 2013. DAS submitted a resolution that recommended that the County Board not move forward with converting from steam to gas as part of Phase 2 performance contracting, and substitute other projects in place of it. The County Board did not approve moving forward with the proposed project.

Issue

In order to move forward with completing Phase 2 Johnson Controls has submitted an alternative proposal. They have removed the portion of the project relating to the conversion from steam to gas and provided an updated proforma with the facility improvements that remain. The project would include the following improvements:

Children's Court Center

- Upgrades to air handling units
- Upgrade existing control systems with Facility Performance Indexing System
- Convert to DDC controls
- Install solar thermal domestic hot water heating system
- Lighting upgrades, including adding new electronic ballasts to existing lighting and converting parking lot lights to LED
- Upgrade existing plumbing fixtures with low flush fixtures
- Installing vending misers on vending machines

Fleet Garage & Sheriff Building

- Upgrade building controls to Metasys Extended Architecture
- Provide destratification fans in garage
- Provide variable speed controls on secondary hot water pump

- Install 10kw PhotoVoltaic system for power generation
- Lighting upgrades, including new lighting within the garage and new lighting in the parking lot
- Upgrade existing plumbing fixtures with low flush fixtures
- Installing vending misers on vending machines

Parks Administration Building

- Installing vending misers on vending machines

The projected annual cost of the loan and service agreement for the improvements is listed below, along with the projected annual savings. The projected annual savings in years 2011 – 2015 also includes some operational savings due to all of the equipment being new and under warranty, which would provide a cost savings to the Department's operating budget.

	Projected Annual Savings	Annual Cost Principal and Interest	Service Agreement	Net Savings
Year 1	$222,894	$220,333	$17,723	($15,162)
Year 2	$229,581	$220,333	$18,254	($9,006)
Year 3	$236,468	$220,333	$18,801	($2,666)
Year 4	$243,562	$220,333	$19,365	$3,864
Year 5	$250,869	$220,333	$19,946	$10,590
Year 6	$246,522	$220,333		$26,189
Year 7	$253,918	$220,333		$33,585
Year 8	$261,535	$220,333		$41,202
Year 9	$269,381	$220,333		$49,048
Year 10	$277,463	$220,333		$57,130
TOTAL	**$2,492,193**	**$2,203,330**	**$94,089**	**$194,774**

In the first three years the projected savings do not cover the cost of the loan and service agreement costs. In previous performance contracts the projected annual savings offset the costs associated with implementing the improvements. In 2010 the County Board approved a master lease with Bank of America to finance the full cost of the improvements in Phase 2 of performance contracting with the proposals from Johnson Controls, Ameresco and Honeywell for a total of $7.5 million. The County will begin paying debt service costs on that loan in 2011. Since the Johnson Controls portion of performance contracting has not been implemented the County may not see adequate savings to cover the cost of the debt service payment in 2011. This may leave the Department of Transportation and Public Works with a year-end deficit. If the County is able to implement the revised proposal we will begin to see savings in 2011. The estimated debt payment in 2011 for the $3.8 million directly related to the Johnson Controls proposal is $497,330. The total debt service payment for phase 2 of performance contracting is $930,564.

If the revised proposal is approved Johnson Controls would move forward with implementation in 2011. Given that the lighting upgrades have a quick installation time frame, the County would begin to see some energy savings in 2011. The first full year of savings would be realized in 2012. The original proposal from Johnson Controls included a total of $3,812,769 in improvements. The revised proposal includes $1,809,550 in improvements. The Department of Transportation and Public Works will be requesting approval for Johnson Controls to complete a technical energy audit on other County facilities to make up the remaining $2.0 million.

The net savings over a ten-year period are anticipated to reach $194,774. It is important to note that the savings is based on the current rates with a projected annual increase. If rates decrease or increase higher than anticipated, then savings may be lower or higher than projected. The proforma was based on current energy rates with an estimated 3% increase each year. The Department of Energy Administration predicts a 6.4% increase in natural gas rates and a 0.5% increase in electric rates from 2011 to 2012. Since 2001 the average increase in electric prices is 3.5% and natural gas is 4.9%. Based on the current projections and historical trends a 3% increase is likely to occur.

Conclusion

Based upon the review by the Department of Transportation and Public Works A&E Division on the analysis of the improvements and due diligence review of projected utility rates in future years it is likely that the overall savings will be achieved for the Johnson Control proposals. The actual return on the investment will depend on future utility rates. As was discussed earlier if utility rates increase higher than projected, then the County will receive additional dollar savings, but if the utility rates decrease the County will see lower savings than projected.

Based on the due diligence review it appears that the projected savings could be realized and provide adequate savings to pay for the cost of the improvements beyond year three. The County also anticipates receiving Focus on Energy grants upon completion of the improvements, which should exceed the potential deficit in years one through three.

Pamela Bryant

Pamela Bryant, Capital Finance Manager

cc: Marvin Pratt, County Executive
Supervisor Michael Mayo, Sr, Chair, Transportation and Public Works Committee
Supervisor Johnny Thomas, Chair, Finance and Audit Committee
Jack Takerian, Director, Department of Transportation and Public Works
Greg High, Director, Architecture and Engineering Division
E. Marie Broussard, County Executive's Office
Steve Cady, County Board Fiscal and Budget Analyst
Sarah Jankowski, DAS, Fiscal and Management Analyst

COUNTY OF MILWAUKEE
Inter-Office Communication

Date: March 16, 2011

To: Chairman Michael Mayo, Sr., Transportation, Public Works & Transit Committee

From: Jack H. Takerian, Director, Department of Transportation and Public Works

Subject: **O'Donnell Park Parking Structure Improvements – Project Status Report #3 (Informational Only)**

Background

The 2011 Adopted Capital includes O'Donnell Park Improvements with an appropriation of $6,557,830. Due to a delay in receiving the UWM land sale revenue, the budget amount has been reduced to $6,019,849. During the 2011 budget deliberations the County Board requested a detailed plan for these improvements. In November of 2010 the Department of Transportation and Public Works (DTPW) on behalf of the Department of Parks submitted an informational report highlighting the details of the recommended scope of work for the O'Donnell Park Parking Structure improvements. This report was received by the Committees on Transportation, Public Works and Transit and on Finance and Audit and placed on file. Subsequent project status reports were requested by the Committee. The previous report #2 was dated February 8, 2011.

Status on the Façade Restoration Component

Demolition Contract

This contract scope includes removal and disposal of all the concrete pre-cast panels. The demolition contract bids were opened on 2/09/2011. Three (3) responsive, responsible bids were received as follows:

1. JP Cullen & Son, Inc. (JPC) of Brookfield, WI with a base bid of $538,443.
2. Miron Construction Co., Inc of Neenah, WI with a base bid of $633,390.
3. C. G. Schmidt of Milwaukee, WI with a base bid of $725,049.

AE&ES Division staff and the design consultant staff of Carl Walker, Inc. reviewed the bids submitted and recommended the low bid, responsive, responsible contractor J. P. Cullen, Inc. be awarded the contract based on the base bid for a total contract amount of $538,443. The award was made on 2/11/11 and a notice to proceed was issued to the contractor on 2/16/2011.

Contract Schedule

Milestone dates in the proposed schedule for this contract remain as previously reported. This includes a demolition construction start on 2/16/2011 with completion on 4/20/2011.

DBE Participation and Residency Goal

A goal of 25% DBE participation was established for this construction contract. The contractor is committing to 25.2% DBE participation. A residency goal of 50% was established for this construction contract. The contractor has committed to meeting that goal.

Envelope Improvement Contract

The construction scope of work on this contract includes replacing the removed concrete pre-cast panel system by providing a direct applied polyer-modified cement based finish system, bid as the base bid, or an alternative bid metal wall panel system and glazed entry structure. The envelope improvement contract bids were opened March 9, 2011. Three (3) responsive, responsible bids were received as follows:

1. KBS Construction Inc. (KBS) of Madison, WI with a base bid of $1,734,000 for the cement finish system and an additive bid of $1,192,000 or $2,926,000 total for the metal panel alternative system

2. JP Cullen & Son, Inc. (JPC) of Brookfield, WI with a base bid of $1,598,797 for the cement finish system and an additive bid of $1,369,151 or $2,967,948 total for the metal panel alternative system
3. VJS Construction Services (VJS) of Pewaukee, WI with a base bid of $1,946,000 for the cement finish system and an additive bid of $1,114,215 or $3,060,215 total for the metal panel alternative system; VJS also proposed a substitute of materials for the metal panel system using steel panels as opposed to the specified aluminum panel for a credit of $245,894 which if accepted would result in a $2,814,321 total for the metal panel alternative system; this substitution of materials was not accepted after comparing the material qualities of the steel versus the specified aluminum panels.

AE&ES Division staff and the design consultant staff of Carl Walker, Inc. reviewed the bids submitted and consulted with representatives of the County Parks, adjacent tenants and neighboring facilities in considering whether to award the base bid cement finish or add the metal panel alternative. The total bid, including the metal panel alternative, is within the established construction budget. While the cement finish is less expensive, the metal panel system will provide more than the specified 25 years of service life with minimal maintenance compared to the significant maintenance required for the base bid cement finish. The product warranty for the metal panels is 20 years versus 5 years for the cement finish. The metal panel system will provide a new look for the previously troubled structure, emphasizing the improved and safer structure.

After consideration of the above, AE&ES Division staff concurred with the design consultant staff of Carl Walker, Inc. and recommended that the low bid, responsive, responsible contractor KBS Construction Inc. (KBS) be awarded the contract based on the base bid plus the metal panel alternative for a total contract amount of $2,926,000. The award was made on 3/11/11 and a notice to proceed is anticipated on 3/23/2011.

Contract Schedule
Milestone dates in the proposed schedule for this contract remain as previously reported. The envelope improvement construction start is anticipated to be 3/23/2011 with completion on 6/22/2011.

DBE Participation and Residency Goal
A goal of 25% DBE participation was established for this construction contract. The contractor is committing to 25.3% DBE participation. A residency goal of 50% was established for this construction contract. The contractor has committed to meeting that goal.

<u>Status on the Internal Repair Component</u>

<u>Repair Contract</u>
The construction scope of work on this contract includes replacement of expansion joints, repair of spalled concrete, repair of cracks in concrete, resealing joints, repair of leaks in parking deck, re-waterproofing exposed plaza level decks, coat supported parking deck slabs with sealant, replace broken drainage pipes and install new heat tracing and insulation on storm drainage piping.

Bids were opened March 9, 2011. Three (3) responsive, responsible bids were received as follows:

1. Ram Construction Services (RCS) of Minnesota of Little Canada, Minnesota with a bid of $916,316.00

2. SPS Infrastrucutre of St. Paul, Minnesota with a bid of $979,565.00

3. Vista Design & Construction, LLC of Milwaukee, Wisconsin with a bid of $1,066,000.00

AE&ES Division staff and the design consultant staff of GRAEF USA reviewed the bids submitted and found the low bid of RCS to be in order and acceptable. A recommendation was made that the low bid, responsive, responsible contractor Ram Construction Services (RCS) be awarded the contract in the amount of $916,316. The award was made on 3/11/11 and a notice to proceed is anticipated on 3/23/2011

Contract Schedule
Milestone dates in the proposed schedule remain as previously reported and include the Internal Repair construction start on 3/23/2011 with completion on 6/3/2011.

DBE Participation and Residency Goal
A goal of 25% DBE participation was established for this construction contract. The contractor is committing to 25.2% DBE participation. The residency goal was waived for the construction contract for this component of the project only due to repair efforts requiring specialized contractors certified by the material manufacturer as a qualified installer.

Budget Overview

Current overall commitments to the budget on this project total $4,998,259. Remaining funding will be reserved for use in addressing unforeseen site conditions,

Approved by:

Jack H. Takerian, Director
Department of Transportation & Public Works

Gregory G. High, P.E.
Director, AE&ES Div., DTPW

cc: County Executive Marvin Pratt
Supervisor Lee Holloway, Chairperson, County Board of Supervisors
Supervisor John Weishan, Vice-Chair Transportation, Public Works & Transit Committee
Terry Cooley, Chief of Staff
E. Marie Broussard, Deputy Chief of Staff
Jerry Heer, Director, Department of Audit
Sue Black, Director, Department of Parks
Timothy Schoewe, Interim Corporation Counsel
John Schapekahm, Principal Assistant Corporation Counsel
Jason Gates, Director, Risk Management
Steve Cady, Fiscal & Budget Analyst, County Board
Brian Dranzik, Director, Administration Division, DTPW
Jodi Mapp, TPW/T Committee Clerk
Martin Weddle, Research Analyst, County Board
Pam Bryant, Capital Finance Manager, Administration & Fiscal Affairs Division, DAS

COUNTY OF MILWAUKEE
Inter-Office Communication

Date: March 29, 2011

To: Supervisor Johnny Thomas, Vice Chair, Committee on Finance and Audit
Supervisor Gerry Broderick, Chairman, Committee on Parks, Energy and Environment

From: Jerome J. Heer, Director of Audits

Subject: Current Status Report - Audit of Parks Infrastructure (File No. 10-52)

At its meeting on January 28, 2010, the Finance and Audit Committee referred our audit report, "A Tale of Two Systems: Three Decades of Declining Resources Leave Milwaukee County Parks Reflecting the Best and Worst of Times," to the Committee on Parks, Energy and Environment regarding Audit recommendations and also to the Parks Department for a status report in April 2010 on implanting the recommendations. An updated status report was provided to your respective committees in the October 2010 cycle as well.

A copy of the current status report is attached for your review. As in the two previous status reports, progress toward implementation of the four recommendations directed to Parks management is provided. New to this status report is the addition of three of our four policy related recommendations, assigned to Parks Department management with adoption of the 2011 budget.

It is clear from the attached status report that considerable work remains to be done. Due to the level of work that remains, we recommend that the Committees direct that an updated status report be submitted by Parks management for the September 2011 committee cycle, with the expectation of greater achievement and more specific comments regarding efforts to implement audit recommendations 2 and 3 regarding management issues and audit recommendations 1 and 2 regarding policy issues.

Jerome J. Heer

Jerome J. Heer

JJH/PAG/cah

Attachment

cc: Finance and Audit Committee Members
Gerry Broderick, Chair, Committee on Parks, Energy and Environment
Marvin Pratt, Interim Milwaukee County Executive
Sue Black, Director, Department of Parks, Recreation & Culture
John Ruggini, Assistant Finance & Budget Administrator, DAS
E. Marie Broussard, Deputy Chief of Staff, County Executive's Office
Terrence Cooley, Chief of Staff, County Board Staff
Steve Cady, Fiscal & Budget Analyst, County Board Staff
Glenn Bultman, Fiscal & Budget Analyst, County Board Staff
Carol Mueller, Chief Committee Clerk, County Board Staff
Linda Durham, Committee Clerk, County Board Staff

STATUS OF IMPLEMENTING DEPARTMENT OF AUDIT REPORT RECOMMENDATIONS

Audit Title: A Tale of Two Systems: Three Decades of Declining Resources Leave Milw. Cty. Parks Reflecting the Best and Worst of Times

File Number: 10-52

Audit Date: December 2010 **Status Report Date:** March 29, 2011 **Department:** Parks

Number & Recommendation	Deadlines Established		Deadlines Achieved		Implementation Status		Comments
	Yes	No	Yes	No	Completed	Further Action Required	
1. Work with DTPW to develop a comprehensive, accurate and updated list of Parks infrastructure maintenance needs. This will require completing the inventory and facility condition assessment for all Parks locations.	X			X		X	*Auditee:* **March 2010 Response** The DPRC and DTPW will continue to work together in developing a comprehensive, accurate and updated inventory of all Parks Infrastructure. This objective is ongoing and will be completed as funding and staffing become available. The DPRC and DTPW will continue to work with DAS to secure the internal and external funding needed to fully populate our information database with current conditions assessment information. To meet this objective, a budget request will be prepared for the 2011 budget cycle. **September 2010 Response** The DTPW is requesting funding in the 2011 Budget to perform updated assessments of County Facilities. This needs to be completed before we can develop an accurate and updated list. The DTPW and DPRC staff will continue to update the VFA System as repairs are made and other deficiencies in infrastructure and maintenance needs are identified. **April 2011 Response** The DTPW requested funding in the 2011 Budget to perform updated assessments of County Facilities. The funding request was adopted in the 2011 Budget using funding from the County Grounds Lands sale to UWM. Due to the 2011 payment deferral request from UWM, the funding has been suspended by DAS. DAS is currently researching alternative funding sources that may be allocated to complete this work. This work needs to be completed before we can develop an accurate and updated list.

STATUS OF IMPLEMENTING DEPARTMENT OF AUDIT REPORT RECOMMENDATIONS

Audit Title: A Tale of Two Systems: Three Decades of Declining Resources Leave Milw. Cty. Parks Reflecting the Best and Worst of Times

File Number: 10-52

Audit Date: December 2010 **Status Report Date:** March 29, 2011 **Department:** Parks

Number & Recommendation	Deadlines Established		Deadlines Achieved		Implementation Status		Comments
	Yes	No	Yes	No	Completed	Further Action Required	
2. Work with DTPW to develop an appropriate condition assessment cycle for buildings and related equipment contained in the VFA system, and follow it.	X			X		X	*Auditee:* **<u>March 2010 Response</u>** The DPRC and DTPW will continue to work together in developing a comprehensive condition assessment cycle for all building and equipment currently included in the VFA system along with other assets that are not currently included in the VFA system. This objective is ongoing will be completed as funding and staffing become available. The DPRC and DTPW will continue to perform internal asset assessments utilizing existing staff, funding and expertise, as it has in the past. The DPRC and DTPW will continue to work with DAS to secure the funding needed hire external consultants to perform the assessments that internal staff cannot perform. To meet this objective, a budget request will be prepared for the 2011 budget cycle. **<u>September 2010 Response</u>** The DTPW is requesting funding in the 2011 Budget to perform updated assessments of County Facilities. The DPRC and DTPW have continued to perform internal asset assessments utilizing existing staff, funding and expertise, as it has in the past. **<u>April 2011 Response</u>** The DTPW requested funding in the 2011 Budget to perform updated assessments of County Facilities. The funding request was adopted in the 2011 Budget using funding from the County Grounds Lands sale to UWM. Due to the 2011 payment deferral request from UWM, the funding has been suspended by DAS. DAS is currently researching alternative funding sources that may be allocated to complete this work. This work needs to be completed before we can develop an accurate and updated list. *Department of Audit Comment:* We would expect more progress and more specific comments regarding efforts made to implement this recommendation.

STATUS OF IMPLEMENTING DEPARTMENT OF AUDIT REPORT RECOMMENDATIONS

Audit Title: A Tale of Two Systems: Three Decades of Declining Resources Leave Milw. Cty. Parks Reflecting the Best and Worst of Times

File Number: 10-52

Audit Date: December 2010 **Status Report Date:** March 29, 2011 **Department:** Parks

Number & Recommendation	Deadlines Established		Deadlines Achieved		Implementation Status		Comments
	Yes	No	Yes	No	Completed	Further Action Required	
3. For reporting of accumulated deferred maintenance, include only amounts that represent current rather than future repair and maintenance needs. Include information on outside revenue sources available to offset reported costs.	X			X		X	*Auditee:* **March 2010 Response** The DPRC and DTPW will continue to develop a process that will ensure that the costs included in any future reports or tracking systems only include current cost estimates. In addition, we will work to identify all of the individual projects that may be eligible for external funding. i.e. State and Federal Grants and other non-governmental sources. Researching alternative funding sources is ongoing and has always been a priority with the Parks Department. **September 2010 Response** The DTPW is requesting funding in the 2011 Budget to perform updated assessments of County Facilities. The DPRC and DTPW have continued to perform internal asset assessments utilizing existing staff, funding and expertise, as it has in the past. The DPRC and DTPW will continue to develop a process that will ensure that the costs included in any future reports or tracking systems only include current cost estimates. In addition, we will work to identify all of the individual projects that may be eligible for external funding as we have done in the past. **April 2011 Response** The DPRC and DTPW will continue to develop a process that will ensure that the costs included in any future reports or tracking systems only include current cost estimates. In addition, we will work to identify all of the individual projects that may be eligible for external funding as we have done in the past. *Department of Audit Comment:* We would expect more progress and more specific comments regarding efforts made to implement this recommendation.

STATUS OF IMPLEMENTING DEPARTMENT OF AUDIT REPORT RECOMMENDATIONS

Audit Title: A Tale of Two Systems: Three Decades of Declining Resources Leave Milw. Cty. Parks Reflecting the Best and Worst of Times

File Number: 10-52

Audit Date: December 2010 **Status Report Date:** March 29, 2011 **Department:** Parks

Number & Recommendation	Deadlines Established		Deadlines Achieved		Implementation Status		Comments
	Yes	No	Yes	No	Completed	Further Action Required	
4. Work with DTPW to use the VFA system to record the results of pool condition assessments, and avoid duplicating the reporting of deferred pool maintenance.	X		X		X		*Auditee:* **<u>March 2010 Response</u>** The DPRC and DTPW will work together to ensure that the annual pool condition assessment report is entered into the VFA system and is not included in any other data files. This objective will be completed when the 2010 pool condition assessment report is completed. **<u>September 2010 Response</u>** The 2010 Pool Assessments Report will be incorporated into the VFA. The pool condition assessment inspections are being completed at this time. **<u>April 2011 Response</u>** The 2010 Pool Assessments Report will be incorporated into the VFA. The pool condition assessment inspections are incorporated at this time.

STATUS OF IMPLEMENTING DEPARTMENT OF AUDIT REPORT RECOMMENDATIONS

Audit Title: A Tale of Two Systems: Three Decades of Declining Resources Leave Milw. Cty. Parks Reflecting the Best and Worst of Times

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Number & Recommendation	Deadlines Established		Deadlines Achieved		Implementation Status		Comments
	Yes	No	Yes	No	Completed	Further Action Required	
Policy Related Recommendations Contained on page 9000-6 of the 2011 Adopted Budget for Parks, Recreation and Culture							
1. Establish criteria for determining whether a facility should be fixed or demolished.		X		X		X	*Auditee:* **<u>April 2011 Response</u>** The Parks Department will work with the Long Range Strategic Planning Committee in developing a comprehensive facilities plan for Milwaukee County. *Department of Audit Comment:* We would expect more progress and more specific comments regarding efforts made to implement this recommendation.
2. Replace some current facilities with alternative structures that have lower construction and/or maintenance costs.		X		X		X	*Auditee:* **<u>April 2011 Response</u>** The Parks Department will work with the Long Range Strategic Planning Committee in developing a comprehensive facilities plan for Milwaukee County. *Department of Audit Comment:* We would expect more progress and more specific comments regarding efforts made to implement this recommendation.
3. Expand opportunities for the types of public/private partnerships that have successfully leveraged private capital in the maintenance and improvement of several Parks locations.		X		X		Ongoing	*Auditee:* **<u>April 2011 Response</u>** The Parks Department will continue to pursue public/private partnerships that leverage additional resources into the department.